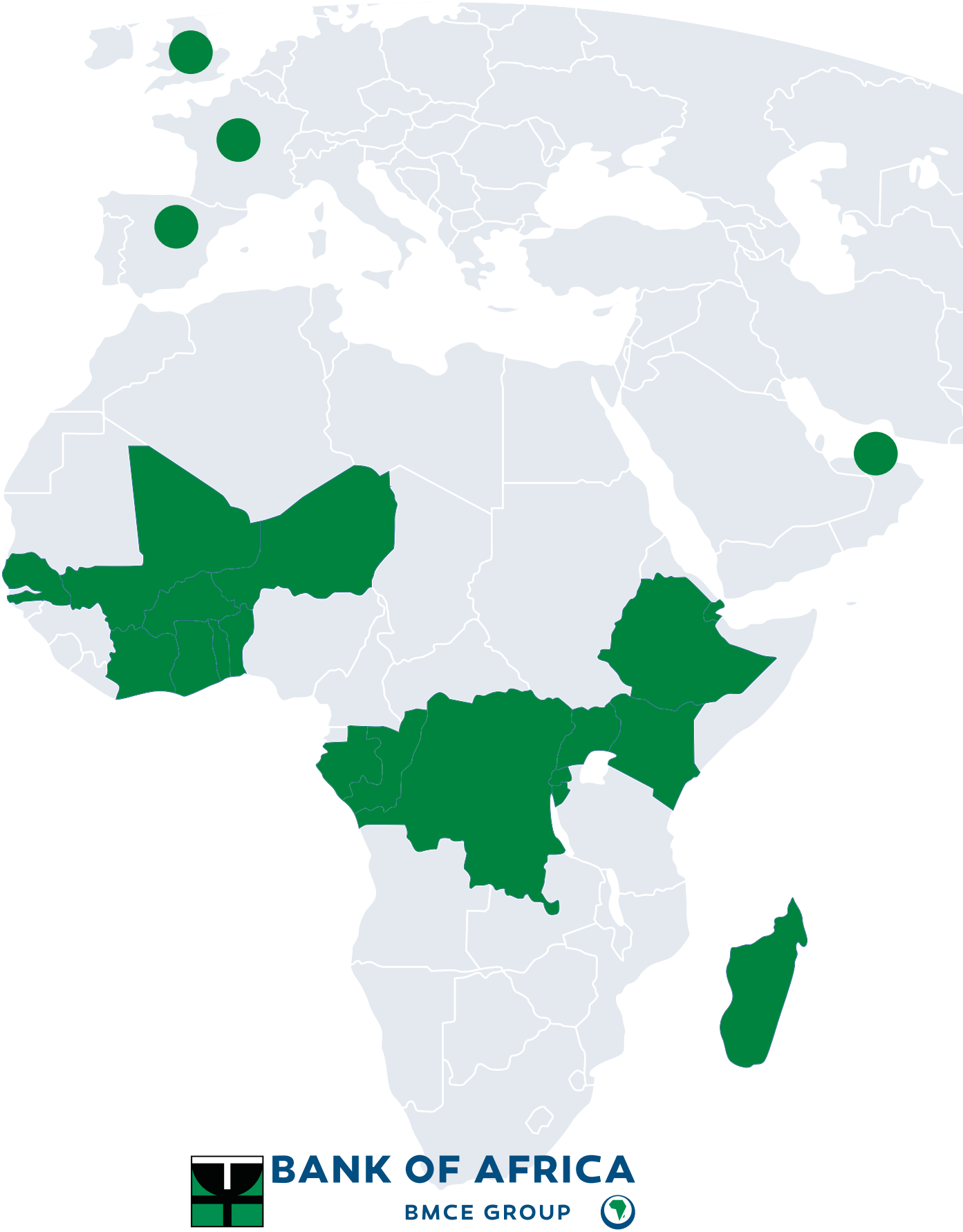
INTEGRATED REPORT FOR THE YEAR ENDED 31 DECEMBER 2025



BANK OF AFRICA

BMCE GROUP

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1 REPORT **OVERVIEW**

EXECUTIVE **SUMMARY**

This Integrated Report aims to disclose information about matters that substantively affect the Bank's ability to create value over the short, medium and long term. It has been prepared in accordance with the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC) and takes into considerations the revisions to the Framework published in January 2021.

The Report presents concise and relevant information on the Bank's operating environment, strategy, performance and value creation, governance, risk management and outlook.

Reporting Scope and Boundary:

The Report covers the operations of BANK OF AFRICA - RWANDA PLC for the period from 1 January 2025 to 31 December 2025.

Forward-looking statements

This Integrated Report <IR> may contain forward-looking statements with respect to BANK OF AFRICA - RWANDA PLC's future performance and prospects. While these statements represent our objectives, judgements and future expectations at the time of preparing this <IR>, a number of emerging risks, uncertainties and other important factors could cause actual results to differ materially from our expectations. These include changes in the external environment and to prevailing market conditions, that could further unfold in Rwanda and globally.

Outlook

Outlook information is considered to be all information that outlines the challenges, opportunities and uncertainties we are likely to encounter in pursuing our strategy and the potential implications for our business and operating model and future performance. Outlook information can be found throughout this <IR>; however, the majority of this information is largely contained in the following sections of the <IR>:

- Our chairman's statement
- Our external environment
- Our Chief Executive Officer's review
- Our risk and opportunity management
- Our performance

OUR VISION, MISSION AND VALUES

Our Vision

To be the preferred bank to our chosen market.

Our Mission

To serve our customer with efficiency and courtesy.

To contribute to the development of all our stakeholders.

To optimize the growth of Bank of Africa Group through synergies and development plans.

To promote the growth and stability of the economies that we operate in.

Our Values

Professionalism: we attain high standards of customer services, accountability, efficiency, respect and confidentiality. We build long-term relationships that are mutually beneficial.

Integrity: we achieve and maintain consistent high levels of honesty, fairness and openness.

Teamwork: this enables us to accomplish our shared values. We build trust, strong relationships, encourage creativity and provide a platform for the generation and implementation of new ideas.

Innovation: we continuously improve the delivery of our products and services. We leverage technology advances, encourage creativity & provide a platform for the generation & implementation of new ideas.

Staff Development: staff are the most valuable asset for achieving our goals. In recognition of this, we provide exceptional opportunities for learning and personal development. We recognize and reward excellent performance.

Customer-focused: we anticipate and understand our customer needs so as to offer imaginative solutions. We work with a sense of urgency, vigor commitment whilst seizing opportunities for all us to excel.

CHAIRPERSON'S **STATEMENT**



Mrs. Betty SAYINZOGA
Chairperson, Board of Directors

As Chairperson of the Board, I am proud to present our Financial Integrated Report for 2025. This year has seen significant achievements and strategic progress for our bank.

Our commitment to strong governance and ethical practices has been a cornerstone of our success. The Board has worked diligently to provide oversight and guidance, ensuring that our bank remains resilient and well-positioned to deliver long-term value.

Throughout 2025, the primary focus for the board was interrogating how management balances the delivery of short- and medium-term objectives with planning for the longer term. Our focus on sustainability, innovation, and customer-centricity has driven our performance, enabling us to achieve good financial results and make meaningful contributions to our communities. One of the most notable developments during the period was the transition in the Bank's executive leadership with appointment of New chief executive officer Mr. Serge Atikossie succeeding Mr. Vincent ISTASSE who had arrived to end of his career for retirement.

The Board is particularly proud of our efforts in integrating different business categories into our operations. Our commitment to these principles not only strengthens our business but also contributes to a more sustainable and equitable future.

I would like to extend my gratitude to our shareholders, the board, executive team, bank employees, and esteemed customers for their unwavering support and dedication. Together, we have built a strong foundation for continued success.

As we move forward, the Board remains committed to guiding our bank through the opportunities and challenges that lie ahead, steadfastly focusing on creating value for all our stakeholders.

Thank you for your trust and confidence in our leadership.

Sincerely,

Mrs. Betty SAYINZOGA
Chairperson, Board of Directors

MANAGING DIRECTOR **STATEMENT**



Serge ATIKOSSIE
Managing Director

I am pleased to present our financial integrated report for 2025, a year marked by growth and resilience.

Despite global economic challenges, our bank has remained steadfast in our commitment to delivering value to our customers, shareholders, and our communities.

The increase of activities in both credits and services resulted in net banking income of RWF17.6 billion vs a budget of RWF18 billion (96.2%). However, an exceptional reduction in risk mainly due to massive recovery of written-off loans and strict monitoring led to improved bank performance with a net profit of RWF 4.8 billion.

We have made significant strides in our sustainability initiatives, recognizing the importance of integrating environmental, social, and governance considerations into our business strategy. Our commitment to sustainable banking practices is unwavering, and we continue to support initiatives that drive positive change.

I express my gratitude to the visionary leadership of our board, shareholders, our staff and our esteemed clients for their continued trust and support.

As we look ahead, we are optimistic about the future. We are positioned to navigate in an evolving financial landscape and seize new opportunities for growth and innovation.

Thank you for your continued confidence in our bank.

Serge ATIKOSSIE

Managing Director

2 GOVERNANCE

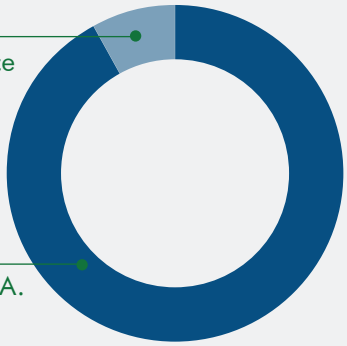
SHAREHOLDING **STRUCTURE**

5%

Shareholders: Radiant Insurance Company Ltd
Number of shares: 100,000
Total value: 1,000,000,000

95%

Shareholders : B.O.A. GROUP S.A.
Number of shares: 1,900,000
Total value: 19,000,000,000



100%

Shareholders : All
Number of shares: 2,000,000
Total value: 20,000,000,000

BOARD **OF DIRECTORS**

Providing oversight and guidance during unprecedented times

We are governed by a board of directors, the majority of whom are independent non-executive directors.

Our Chairperson is an independent, non-executive director. Our board is responsible for the strategic direction and ultimate control of the Bank according to the memorandum of incorporation and board charter.

Our board establishes the Bank of Africa Rwanda Plc purpose, values and strategy, and satisfies itself that these core aspects and the organizational culture are aligned. Importantly, the board is also responsible for ensuring that the necessary resources are in place for the Bank to meet our objectives and for measuring performance against them. The board is accountable for promoting the long-term sustainable success of the Bank, generating value for shareholders and contributing to wider society. Through its oversight and strategic steer, it ensures that Bank of Africa Rwanda

Plc capitalizes on our opportunities as an ethical, decisive and responsible corporate citizen.

Against the backdrop of constant and fast-paced changes, board diversity is important to remain agile and sustainable. At the Bank of Africa Rwanda Plc, we consider diversity of race, gender, ethnicity, age, independence and skill sets, to ensure more robust debate and better decision-making. The board numbers below are as at the end of our current reporting period being 31 December 2025.

Independence

2
Non-Independent
DIRECTORS

3
Independent
DIRECTORS

Diversity of gender

From February 2022 female directors have been introduced in the Board.

Diversity of age

46 → **71**

INDEPENDENT DIRECTORS



Betty Sayinzoga

Appointed in January 2021

Qualifications

- Master's in Business administration
- A bachelor's degree in Law.

Expertise and experience

Betty SAYINZOGA is the Business Integration Manager at Sanlam Emerging Market with a dynamic and self-driven spirit and a passion for Talent Management. Before Saham Assurance Vie Rwanda was acquired by Sanlam Emerging Market, she was leading this Insurance company as their Chief Executive Officer. She debuted her career from the Ministry of Rehabilitation and Social Affairs in 1994 as the operations Officer. Her work experience includes:

- Administrative Assistant in USAID Financed project: WIT (Women In Transition) Greenoaks Holdings.
- Paroll Consultant in Partena, Belgium
- HR Professional and later Head of Human Resource at BPR
- People and Change Consultant in PwC Rwanda
- She also worked as the Chief Human Resource Officer for both Prime Insurance ltd and Prime Life Insurance ltd when the two were rebranded after the acquisition of COGEAR ltd and Prime Life assurance ltd by Greenoaks Holdings.



Omar Balafrej

Appointed on 04/06/2020

Qualifications

University Degrees in

Mathematics (Janson de Sailly, Ecole Centrale de Lyon)

Expertise and experience

Omar was Chief of projects for Morocco and Algeria in IFC (World Bank Group).

He was also President of MNF-MITC Capital and the CEO of MITC-Technopark Omar is currently a consultant with a focus to advising start-ups and other organisations on business development and fund raising. He is also an elected member of budget committee in Moroccan Parliament.

His main networks and associative activities include the following:

- Stanford University (Draper Hills Summer Fellow)
- African Innovation Foundation (Board Member)
- Cinémathèque de Tanger (Board Member)
- French Ministry of foreign affairs (Fellowship program)
- Fondation Abderrahim Bouabid (President).



Vincent Gatete

Appointed in May 2021

Qualifications

- Master's in Business administration
- A bachelor's degree in Law.

Expertise and experience

Vincent GATETE is a Senior Business Executive with advanced and versatile experience leading companies in the private sector and good experience in public sector. He is a transformational leader with focus on turn around and driving and executing change and proven experience in driving growth.

Prior to becoming a private consultant, his path was established by many distinguishable senior management responsibilities including:

- Legal Officer, Senior Legal Officer and Tax State Attorney and International Affairs Manager at RRA
- Group company Secretary at Crystal Ventures Ltd
- Chief Executive Officer in Crystal Telecom Ltd
- Managing Director in ISCO Ltd
- Chief Commercial Officer at Bank of Kigali
- Chief Executive Officer at Karisimbi Business Partners.

During his work experience of 18years now, he served as a non-executive Board member of several companies.

NON-INDEPENDENT DIRECTORS



Othmane Alaoui

Appointed on 24/12/2024

Qualifications

- Diploma in Advanced Banking Studies issued by the Conservatoire National des Arts et Métiers (CNAM), Paris, France.
- Scientific A-Levels, Casablanca, Morocco.

Expertise and experience

Othmane Alaoui is the Chief Executive Officer of Bank of Africa Madagascar with over 30 years of experience in the banking industry.

Othmane began his career at BMCE Bank in Morocco, where he rose through various leadership roles including Head of Development and Regional Director. In 2013, he joined Bank of Africa Madagascar, initially serving as Central Director for network development. He was later appointed Deputy General Manager in charge of the Retail Division, before taking the helm as CEO in July 2016. Under his leadership, the bank has focused on network expansion, customer-centric innovation, and operational efficiency in the Madagascar market.

A seasoned leader with deep expertise in retail banking and network development, Othmane is known for his pragmatic approach and strong understanding of African financial markets.



Marc RUGENERA

Appointed on 24/12/2024

Qualifications

- Master's degree in business engineering
- Bachelor's Degree in Commercial and Financial Sciences; specialization in Banking and Finance

Expertise and experience

Marc RUGENERA, the Board Chair and CEO at Radiant Insurance Company, is an accomplished economist and seasoned executive with over 40 years of experience in finance, government, and insurance.

Marc has held top leadership roles across both public and private sectors including Minister of Finance and Minister of Commerce, Industry and Tourism in Rwanda, during which he played a pivotal role in shaping national economic policy and advancing post-war economic recovery.

His governance experience includes board positions across regional institutions such as PTA Bank, the National Bank of Rwanda, Sulfo Rwanda Industries, and Capital Market Authority.

His expertise in corporate governance, strategic negotiation, and insurance continues to shape financial services in Rwanda and beyond.

BOARD COMMITTEES

BOARD AUDIT COMMITTEE	
Vincent GATETE	Chairperson
Othmane ALAOUI	Member
Marc RUGENERA	Member

BOARD RISK COMMITTEE	
Omar BALAFREJ	Chairperson
Betty SAYINZOGA	Member
Marc RUGENERA	Member
Vincent GATETE	Member

BOARD CREDIT COMMITTEE	
Othmane ALAOUI	Chairperson
Marc RUGENERA	Member
Vincent GATETE	Member
Omar BALAFREJ	Member

NOMINATION & REMUNARATION COMMITTEE	
Omar BALAFREJ	Chairperson
Betty SAYINZOGA	Member
Othmane ALAOUI	Member
Vincent GATETE	Member

INFORMATION TECHNOLOGY COMMITTEE	
Betty SAYINZOGA	Chairperson
Omar BALAFREJ	Member
Vincent GATETE	Member

EXECUTIVE COMMITTEE



Serge ATIKOSSIE is the Managing Director of BANK OF AFRICA - RWANDA, with over 15 years of experience in financial management, risk, and operations. He holds an MBA in Auditing and Financial Planning and has completed advanced executive programs at HEC Paris, HEC Montréal, and the Frankfurt School of Finance, specializing in corporate finance, risk management, digital finance, and sustainable bonds.

Having joined the BANK OF AFRICA Group in 2013, Serge has held senior leadership roles in Finance, Financial Planning & Analysis, and Executive Management. In Rwanda, he drives strategic growth, financial performance, digital transformation, and sustainable innovation to strengthen the Bank's market position.



Olivier ABALO ABIYI is the Executive Head of Support Services at BANK OF AFRICA - RWANDA, bringing over 16 years of professional experience, including more than 13 years in the financial services sector within the BOA Group and across African markets.

He oversees Administration, Operations, Procurement, IT, Physical Security, Organization, and Service Excellence, playing a key role in operational efficiency and digital transformation. Olivier holds an Executive MBA, a Master's degree in Information Systems and Business Intelligence, and professional certifications in Project Management and Agile methodologies.



Jean HAVUGIMANA is the Executive Head of Business at BANK OF AFRICA - RWANDA, with over 20 years of experience across Retail, SME, Corporate, and Digital Banking within the Rwandan financial sector.

He brings strong expertise in business development, portfolio growth, credit risk assessment, digital channel optimization, and customer relationship management. Jean holds an MBA in Accounting and Finance and is recognized for driving sustainable business growth aligned with the Bank's strategic objectives.



Alice UWINEZA is the Executive Head of Credit at BANK OF AFRICA - RWANDA, with over seven years in the role. She oversees credit approvals, portfolio monitoring, and the continuous enhancement of the Bank's credit policies and procedures to ensure sound risk management and regulatory compliance.

With more than 17 years of banking experience, she brings strong expertise in credit risk management and corporate banking. Alice holds a Bachelor's degree in Economics and Development Studies and a Master's degree in Banking (ITB), and has completed several professional trainings in financial services.



Ephraim MUVALA has served as Executive Head of Legal Services & Company Secretary at BANK OF AFRICA - RWANDA since 2013. He ensures the Bank's compliance with corporate governance standards and regulatory frameworks while advising the Board and Management on legal matters.

He holds a Master of Science in Arts, a Postgraduate Diploma in Legal Practice, and a Bachelor's degree in Law from the National University of Rwanda, with extensive experience in banking and corporate law.



Ubald SESONGA is the Executive Head of Risk and a member of the Executive Committee at BANK OF AFRICA - RWANDA. He leads the Bank's risk management, compliance, and AML/CFT frameworks, and oversees loan portfolio monitoring and regulatory reporting.

With over 17 years of experience in the financial sector, including 12 years in risk and compliance, he holds a Bachelor's degree in Business Administration and is a Certified Compliance Professional and Certified AML Specialist (CAMS).



Theogene RUZINDANA is the Executive Head of Finance at BANK OF AFRICA - RWANDA, with over eight years in the role. He oversees financial reporting, budgeting, tax management, and financial policy development to ensure strong financial governance.

With more than 20 years of experience in finance and operations, he holds a Bachelor's degree in Management Sciences, is a Certified Public Finance Management Accountant (CPFMA), and is currently pursuing the CPA qualification.

3 STRATEGY

STRATEGIC FOCUS AREAS

At the end of the 2022-2024 three-year plan, BANK OF AFRICA Group saw most of its financial indicators improving, notably the balance sheet average growth at 9.6 % and the net income Group share (RNPG) at 11.8 %.

Besides these good financial performances, the 2022-2024 three-year plan allowed to put the foundations of Group BANK OF AFRICA ambitions with a strategy focused on banking activity.

In a context of regulatory strengthening leading to an increasing need of shareholders› equity, the new 2025-2027 Triennial Development Plan has an objective to concretize these ambitions through bold choices:

- A rigorous policy of risks provisioning and continued efforts on recovery;
- A progressive reduction of market activities contribution for the benefit of focusing on classic banking activities;
- A balance-sheet transformation focused on SME and individuals;
- A revisited pricing policy in terms of interest margin and margins on commissions;
- A rigorous financial discipline on the operational costs

Strategy execution principles

- Diagnosis phase allowed to analyse in detailed way macroeconomic context, achievements of previous strategic plan, level of competition and main weaknesses, strengths, threats and opportunities;
- Strategic construction phase led through several workshops at the Group level and Bank level of the bank to define big orientations, growth hypotheses and strategic initiatives
- Development phase allowed to define the road map of the bank through initiatives prioritization, definition of prerequisites and growth potential and the elaboration of the operational strategic plan, the strategic projects portfolio to be executed over the period.



IMPLEMENTATION OF OUR FINANCIAL STRATEGY

Our financial performance against our 3-year 2027 targets

In 2025, we noted a number of risks associated with various events outside of our control that significantly impacted our business, including heightened macroeconomic volatility.

Despite the challenging macro-environment, we made good progress in relation to our financial metrics in some domain against our 2025 targets.

Below is a summary of the progress we have made in relation to our financial targets in the fiscal year under review, measured against our 2025 targets.

Our financial target and performance linked to our strategic focus areas	2026 Target	2025 Performance	2024 Performance	2025 against 2024	2026 target against 2025
Impairment (RWF Mll)	-1,239,000	-360,636	-971,181	-62.9% ▲	243.6% ▼
Net interest income	15,410,631	12,951,463	11,466,959	12.9% ▲	19.0% ▲
Net fee&Cion	5,672,795	4,661,318	3,856,000	20.9% ▲	21.7% ▲
Cost-to-income	57.0%	60.2%	53.2%	7.0% ▼	-3.2% ▼
ROA	2.5%	2.5%	2.4%	0.1% ▲	0.0% ▲
ROE	19.1%	18.2%	18.3%	0.0% ▼	0.9% ▲

Our 2025 performance compared to 2024 shows stable performances.

RoA moved slightly from 2.4% to 2.5% and RoE from 18.3% to 18.2%. The RoA is foreseen to remain stable, with improvement in the RoE in 2026.

In the same way, our performance in net interest income and net fees and commissions (respectively 12.9% and 20.9%) are below the remaining gap of 19.0% and 21.7% we need to cover to achieve the 2026 targets.

However, we can notice increase in our cost-to income ratio to 60.2% (from 53.2% of 2024) and we are confident to repeat the same performance to achieve the 2026 target of 57.0%.

Net impairment losses on loans and advances decreased consecutive to decrease in non-performing loans as well as intensified recovery efforts. It is projected to go up again in 2025 due to planned loan disbursement.

Whereas we have been conservative in our policy of risks provisioning to cover the effects on the quality of our loan portfolio, moving forward, we will not only maintain but also intensify these recovery strategies to better manage non-performing loans.

Non-Financial indicators (operational strategic plan)

Methodology

The operational strategic plan (OSP) represents the road map detailing the initiatives to implement to reach the goals fixed previously. This project portfolio over 3 years articulates around 4 strategic axes:

- Growth
- Productivity
- Profitability
- Risk management

For each initiative, the following elements should be defined:

- Strategic objective defining the target to reach
- Date of the projected end and chronogram
- Macro-evaluation of initiative business impact Business in terms of growth of outstanding amounts, NBI, market share …
- Financial prerequisites (budget), organizational or technical
- Evaluation of the complexity of implementation allowing prioritization

Once detailed, the initiatives are prioritized according to their business impact, necessary prerequisites and complexity. The prioritization allows to raise a road map over 3 years.

The operational strategic plan is steered by the Project Management Office (PMO) in coordination with the management control to adjust the plan according to the progress of strategic objectives. Governance committees allow to follow regularly the plan progress:

- Bank executive committee with progress review of strategic initiatives portfolio
- Monthly strategic steering committee involving bank executive committee and regional office
- Quarterly board of directors with a synthetic presentation of the plan, main realisations and ongoing actions



VALUE CREATION THROUGH OUR PEOPLE

Value creation through our people

In 2025, the Human Resources function continued to play a central role in driving value creation through strategic people initiatives focused on strengthening governance, enhancing employee wellbeing, building capability, and fostering a strong organizational culture.

Key HR policies were reviewed and updated, including the HR Policy, Remuneration Policy, Staff Accounts Management Procedure, and the Gifts and Conflict of Interest Declaration Process, reinforcing a more robust, transparent, and compliant HR governance framework.

At the same time, the Bank advanced employee wellbeing through targeted awareness programs on mental health, nutrition, hepatitis B and C, cancer prevention, and men's mental health, promoting a healthier and more supportive work environment. The Bank also invested significantly in employee development, delivering an average of 32 training hours per employee and sponsoring professional certifications such as RAF Level 1 and 2, CPA, ACAMS, CFSSO, and other financial industry qualifications, with notable industry recognition of top RAF Level 2 performance.

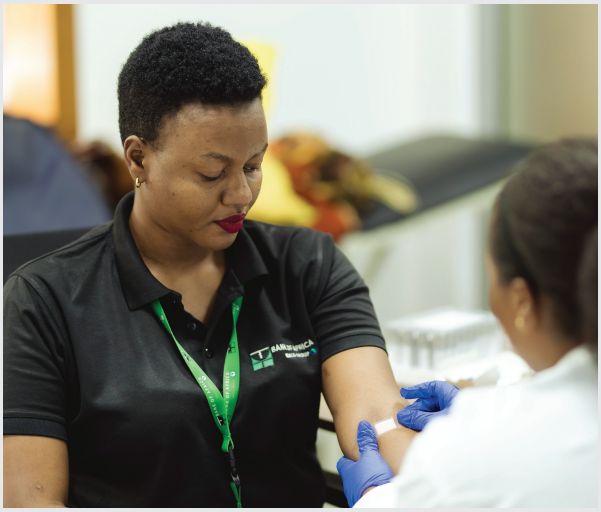
In parallel, employee engagement and culture were strengthened through key internal events including Women's Day, Labor Day, Men's Day, and Career Success Week, all contributing to a more motivated, inclusive, and high-performing workforce aligned to the Bank's strategic ambitions.

Our beliefs

The Bank strives to achieve a reputation for conducting its business with integrity and carrying the confidence and trust of its employees, customers and general public. The Bank firmly believes that:

1. Human Resources is a strategic input for the Bank's operations.
2. It is the Bank's responsibility to develop a high quality, committed and flexible work force that meets customers' requirements and responds quickly to customers' needs.
3. The Bank has to evolve a sustainable "competitive advantage" through its employees to create value for customers and provide high world-class customer service at the most cost-effective rate.









CORPORATE SOCIAL RESPONSIBILITY

Youth Empowerment Initiative

The Bank sponsored a Foundation initiative focused on empowering children and young people from underserved communities. Through this sponsorship, the Bank supported the provision of space, skills, and resources aimed at enabling beneficiaries to pursue their potential, overcome poverty, and achieve sustainable success, reinforcing the Bank's commitment to social impact and community development.



Restoring Hearing, Transforming Lives

In 2025, BANK OF AFRICA – RWANDA, in partnership with the BOA Foundation, transformed the lives of three Rwandan children with profound hearing impairment by sponsoring specialized surgical interventions in Morocco. Through state-of-the-art hearing implants, the children regained the ability to hear and communicate, opening new opportunities for education, social inclusion, and a better quality of life. This initiative reflects the Bank's commitment to creating meaningful and lasting impact beyond banking.





#KWIBUKA31

The bank commemorated the 1994 Genocide against the Tutsi by visiting the Nyanza Kicukiro Genocide Memorial alongside a staff delegation.

They paid tribute to the victims by laying wreaths at the mass grave and contributed a donation to support the preservation of the memorial site.

STAKEHOLDER **ENGAGEMENT APPROACH**

We actively manage our various stakeholder engagements; ensuring ongoing clear, transparent and relevant communications.

Our stakeholders include among others the following:

COLLEAGUES

Both current Rwandan Banker and prospective employees

CUSTOMERS

Past, present and future customers

BUSINESS PARTNERS

Our shareholders, funders, debt holders, suppliers, service providers, collaborators, industry associations and strategic business alliances

REGULATORS

Sector and governmental regulators

SOCIETY

Society as a whole including media and financial ***commentators***



Different commitments are defined toward the CSR in BOA:

COMMITMENT 1: BOA respect our clients' interests and promote ethical behavior by:
1.1 Effective communication for all event such as public holidays; temporally closing of branches; change in working hours and other circumstances.
1.2 Sharing the bank's trend and performance with customer through official communication (local press media etc.);
1.3 Publication of prices on regular basis
1.4 Provide quality customer service and complete and
1.5 Satisfy the needs of our customers, treat their claims with diligence
1.6 Assist our customers in difficulty, by preventing situations of over-indebtedness and mitigating the effects
1.7 Adopt a responsible purchasing approach

COMMITMENT 2: BOA promote Sustainable Finance and Social Entrepreneurship by:
2.1 Collaboration and Working with government institution that provide grants and security;
2.2 Financial advice to our customers depends to their sector of activity;
2.3 Linking our clients, each other for sustaining their business and building strong relationship.

COMMITMENT 3: BOA as a responsible employer listening to employees and accompanying their development by:
3.1 Regular training of its staff and sensitize them on how do customer retention, customer loyalty and customized services and integrity;
3.2 Develop the skills of our employees through
3.3 Support transformations, changes in our businesses and mobility in the Bank
3.4 Prevent occupational health and safety risks and promote employees' well-being and quality of life at work
3.5 Respect freedom of association, the right to bargain collectively and promote social dialogue
3.6 Other Human Rights Objectives

COMMITMENT 4: BOA is diligent in the exercise of governance and risk management by:
4.1 Set a risk champion from each department;
4.2 Regular complying with Central bank and BOA group rules and regulations;
4.3 Perform regular due diligence of our customer and close account which are not complying;
4.4 Provide Key facts statement for each product/service (Loans and account opening);
4.5 Respect our shareholders rights
4.6 Other governance objectives

COMMITMENT 5: Protect the environment by:
5.1 Using Office stationary complying with standards;
5.2 Financing manufacturing and industries in the field of environment protection;
5.3 Committed to switch off lights, air condition in our office

COMMITMENT 6: Act in the interest of the community and support dialogue with our stakeholders by:
6.1 Promote financial education and micro finance
6.2 Promote access to education and support local communities
6.3 Promote financial inclusion
6.4 Promote and respect human rights in our funding decisions and in our activities
6.5 Adopt a sponsorship strategy supporting culture, sport, social & solidarity actions and the environment
6.6 Build a permanent dialogue with our stakeholders to contribute to the achievement of the Sustainable Development Goals

RISK **MANAGEMENT**

OUR RISK MANAGEMENT PROCESS

Bank of Africa Rwanda PLC conducts its risk assessment processes in alignment with its Enterprise Risk Management (ERM) Framework, which is grounded in the three lines of defense principle. These assessments are carried out across all units of the Bank, with dedicated support from the Risk Management Department, ensuring a comprehensive and consistent approach to identifying and managing risks. The primary goal of this bank-wide risk assessment is to establish a proactive and intelligent risk management culture that not only safeguards the Bank's value but also facilitates optimal and informed risk-taking in pursuit of strategic objectives.

A key outcome of the risk assessment is the development of the Bank's Risk Profile, which provides a holistic view of the institution's exposure to various risk categories. This profile is essential in determining the level of capital required to adequately cover those risks, serving as a protective buffer against potential shocks from the external operating environment.

To establish this Risk Profile and define the corresponding capital requirements, the Bank follows a structured and rigorous set of processes, including risk identification, measurement, evaluation, and aggregation—ensuring resilience and regulatory alignment.

CORE ELEMENTS OF THE RISK MANAGEMENT FRAMEWORK

- The Internal Capital Adequacy/Liquidity Assessment Process (ICAAP&ILAAP)
- Operational Risk Mapping
- Risk appetite statement
- Risk policies and procedures
- Quantitative and qualitative risk metrics
- Risk culture and training programs

The Internal Capital Adequacy Assessment Process (ICAAP)

The International Capital Adequacy Assessment Process (ICAAP) requires the Bank to conduct a comprehensive risk assessment at the end of each financial year. As part of the 2025 year-end review, the assessment identified eight principal risk categories, divided into two distinct pillars, enabling a systematic and holistic approach to risk and capital management. This segmentation supports effective capital planning, ensures alignment with regulatory expectations, and reinforces the Bank's commitment to maintaining financial resilience.

- **Pillar I risks comprises:** Credit Risk, Market Risk and Operational Risk,
- **Pillar II risks include:** Liquidity Risk, Concentration Risk, Interest Rate Risk in the banking book, Reputational Risk, Compliance Risk and Strategic Risk.

The table below details our identified top risks, our responses / mitigations and each type of capital they are related to:

Risk	Risk Identification, Mitigation and Control	Link to Capital
Credit Risk Credit Risk is a risk of a counterparty failing to meet its contractual obligations towards the bank and the risk that the pledged collateral does not cover the claims. The bank identifies credit risk as per its credit risk procedures and guidelines. Credit mitigation techniques are used including collaterals for exposures, guarantees etc. The Bank reduces its Credit risk by collateralizing its credit exposures. The bank value Collateral though the latter is not recognized from a capital adequacy computation perspective.	The collateral, its value and its mitigating effects are considered throughout the credit assessment and management processes. The Bank collaterals include Pledges and guarantees. Real Estate is the main type of Pledges. Prudential limits have been set by the Board of Directors and implemented by Management per single obligor, Sector, counterparties etc. Regular portfolio reviews by auditors, compliance teams enhance the control environment of credit. The bank currently demonstrates a sound base credit risk management position, evidenced by a low NPL ratio of 1.23%, a strong NPL coverage ratio of 89.76%, and a Capital Adequacy Ratio of 16.7% (19.68% including non-paid dividends); ratios that are well above the regulatory minimum. The total loan book of RWF 84,606m (gross) is predominantly performing (93.6% class 1), (5.1% class 2), and NPL balances remain modest at RWF 1,044m. Restructured loans total 2,068m (2.4% of the total portfolio), written off loans total 6,611m with 566m (8.5% written off in 2025); the recovered amount on written off loans in 2025 is 1,104m . The total credit RWA is 92,738m, and the cost of risk is -0.5%.	Financial
Market Risk Market Risk is the risk on the bank's earnings and or capital due to changes in market factors. The bank identifies credit risk as per its credit risk procedures and guidelines. Credit mitigation techniques are used including collaterals for exposures, guarantees etc. The Bank reduces its Credit risk by collateralizing its credit exposures.	The Bank has established market risk policies and procedures and processes to identify, mitigate and control market risks that arise within its banking book bearing in mind that the bank does not maintain a trading book. Business units and functions, in the process of carrying out their daily activities ensure that the principles and policies for Market Risk management are adhered to and business risk managers have the responsibility of reporting immediately any event that could trigger market risk or could breach any market risk limit to Risk management and compliance management for necessary support and risk treatment. The market risk is controlled through its established policies and limits as well as the overall governance structure of the bank. BOA - RWANDA Market risk remains low. The total Market RWA as at 31/12/2025 is 2,307m. The FX risk is predominantly an exposure short position USD totaling -1,478m. The bond portfolio is composed of 61,460m all held to maturity.	Financial
Operational Risk Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	The operational risk is identified through its operational risk policy and procedure framework. The bank uses the 'Risk and Control self-assessment (i.e. RCSA)' to identify any risk inherent to its people, process and systems or any external event. All identified risks are controlled or mitigated by our operational risk and operations procedures in areas of cash management, account opening, payments and processing. The Operational Risk Weighted Assets (ORWA) stood at RWF 28.2 billion, which is assessed as medium compared to the Bank's overall risk profile, indicating manageable capital exposure to operational risk.	Financial

Liquidity risk Liquidity risk is the risk of the bank not being able to meet its payments obligations when they fall due and without incurring considerable additional cost for raising funds or the risk of incurring losses because of fire-sale of assets	The bank identifies its liquidity risk through implementation of its policy and daily review of the liquidity position and computation liquidity metrics including but not limited to Liquidity coverage ratio, Net stable funding ratio, Loan to deposit ratio, liquidity mismatch to overall liquidity outflows etc. The Liquidity risk is mitigated by strongly upholding prudential policy limits close monitoring of liquidity by middle office. The bank has an Intraday liquidity governance to ensuring that intraday payment and settlement obligations are met in a timely manner. The bank has established methodologies and systems to ensure that those obligations are fulfilled under normal and stressed conditions during the day. The bank manages intraday liquidity as follows: a) Measuring daily liquidity inflow and outflow b) Monitoring intraday liquidity position c) Funding intraday liquidity needs d) Managing the timing of liquidity outflow.	Financial
Concentration risk Concentration risk is any exposure that may arise within its different risk categories and that has potential to produce losses that threaten its earnings and or capital	BANK OF AFRICA - RWANDA manages concentration risk through a structured framework that monitors credit exposures across four dimensions: individual counterparty, segmentation, and sector of activity. At the counterparty level, the Bank applies the BNR single borrower limit of 25% of Core Capital. At the segment level, exposure limit on the Corporate (34.9%), SME (29.6%) and retail (35.4%) segments are fixed. Also, sector exposure limits have been established. Each limit is regularly monitored, and results are presented to the Management and the Board.	Financial
Interest rate risk in the banking book (IRRBB) Interest Rate in the banking book is the current and prospective risk to the bank capital or earnings arising from adverse movements in the interest rates that affect the banking book positions.	BANK OF AFRICA - RWANDA is exposed to Interest Rate Risk in the Banking Book (IRRBB) arising from the structural mismatch between its RWF 61,461m Held-to-Maturity government securities portfolio; 30.7% of total assets at a fixed yield of 12.5% and its predominantly short-duration liability base, where non-remunerated demand deposits represent 86% of total deposits. IRRBB is measured using the Standardized Gap Analysis methodology across two dimensions: Economic Value of Equity (EVE), which captures the long-term balance sheet impact of rate changes, and Net Interest Income (NII) sensitivity, which measures the short-term earnings impact over 12 months. Under a parallel shock of ±200 basis points, the worst-case ΔEVE reaches RWF 4,109.2m (18.09% of CET1), confirming the Bank as a Basel IRRBB outlier against the 15% of Tier 1 supervisory threshold, while the NII impact is a more moderate RWF 405.4m (−3.02% of projected 2026 Net Interest Margin). A Pillar II capital add-on of RWF 283.8m (23.0 basis points) has been proposed using the NII/Earnings at Risk approach, consistent with the HTM classification of the portfolio.	Financial

Reputational risk Reputational risk is any event that could damage stakeholders trust in and respect towards an organization and thus leading to loss that affects its earnings and capital.	The bank proactively protects itself against reputation damaging events and effectively deals with those events whenever they occur. The Bank's reputational risk is guided by the reputational risk management policy and risk appetite both approved by the Board of directors. The Board has delegated its responsibility to senior management for implementing the policy and observing the risk appetite framework.	Financial
Compliance risk Compliance risk is the current and prospective risk to earnings or capital arising from violations or, or non-conformance with laws, rules, regulations, prescribed practice or ethical standards issued by the regulator from time to time.	The Compliance risk is identified through regular compliance checks which are done through toolkits by the compliance team which identifies warning signs. The risk identified or compliance gaps are assigned action plans to mitigate the risk or remediation of the gap if the risk has materialized. The mitigation mechanisms are done through regular checks and balances and verifications approval process implemented bank wide.	Financial
Strategic risk Strategic risk is the current and prospective risk on earning or capital arising from adverse business actions, improper implementation of decisions or lack of responsiveness to industry changes. It is also a risk of not meeting business targets and falling behind competition.	Strategic risk is identified through regular review of the bank performance against its business targets, industry competitive indicators. The risk is mitigated and controlled through business targets and performance appraisals and strategic meetings hold to discuss strategic direction of the bank.	Financial
Climate & Environmental Financial Risk Includes climate-related risks, social impact, and governance practices aligned with TCFD and sustainability risk integration	Climate-related and environmental financial risks are increasingly material for banks, as they can impact credit quality, market exposure, operational continuity, and reputational standing. These risks are typically categorized into physical risks (e.g., natural disasters) and transition risks (e.g., policy or regulatory shifts toward a low-carbon economy). The Bank is in the process of developing a structured approach to identify, mitigate, and control these risks as part of its Enterprise Risk Management and ESG frameworks.	Financial

RISK APPETITE AND STRESS TESTING

The Bank operates within a defined risk appetite, approved by the Board, which reflects its strategic goals and capacity to absorb risk. Stress testing and scenario analysis are conducted regularly to test resilience under adverse conditions. Recovery and resolution plans are maintained to ensure operational continuity under stress.

OUTLOOK AND FUTURE RISK FOCUS

- Strengthening the ESG and climate risk assessment procedures
- Review and update of the IFRS 9 Model and improvements to expected credit loss models
- Expanded risk training programs across the Bank
- Operational Risk mapping review for all operations, products and services of the Bank
- Ongoing focus on cybersecurity and digital risks

4 BUSINESS

OUR BUSINESS MODEL

We create value and deliver on our strategy by transforming our capitals through our business activities. We seek to operate and grow inclusively, responsibly and sustainably, thereby maximising value creation and minimising any negative impacts.

Inputs

FINANCIAL CAPITAL

- Our financial capital consists of the pool of funds that is available to us to produce products, provide services and invest in technology, people and growth
- It is largely obtained through retail funding, financing and generated through our operations

HUMAN CAPITAL

- Our human capital refers to our people
- Our objective is to create a rewarding place to work by providing a holistic offering to our people that spans a range of services intended to enhance the health, wellness and work-life balance of their lives

INTELLECTUAL CAPITAL

- Our intellectual capital includes our know-how, digital advancements and brand; ensuring that we remain competitive, sustainable and a strong investment in our proposition; enhancing reporting, decision-making and credit risk management

MANUFACTURED CAPITAL

- Our manufactured capital includes our business structures and processes, including physical and digital assets, infrastructure, products and services
- It also covers our operational infrastructure (our branches and head office), products, sales and service channels, digital channels and collections
- This blended approach allows us to provide a personalised, efficient experience to advance the lives of our customers; ensuring our long-term sustainability

NATURAL CAPITAL

- Our natural capital includes our environmental stewardship for both our internal operations and our products and services
- • Our internal aspirational targets assist in minimizing our impact on natural resources, enhancing operational resilience against supply constraints (for example, water and power)

SOCIAL AND RELATIONSHIP CAPITAL

- Our social and relationship capital relates to our interactions with our stakeholders
- Developing and maintaining quality relationships with all our stakeholders is key to our sustainability and is a focus in all our interactions

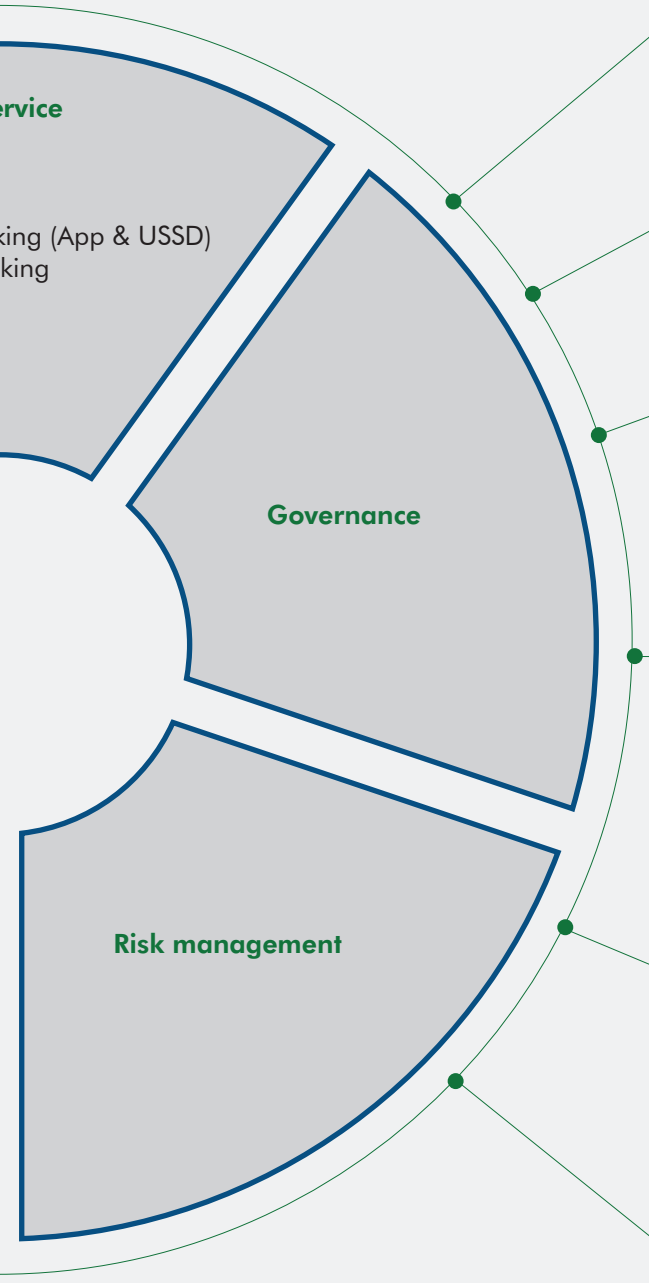
Activities shaped by the ext drivers o

Sales and se channels
- Branches
- ATM
- Mobile Bank
- Internet Ban

Products offering
- Loans
- Overdrafts
- Savings
- Current accounts
- Visa cards
- Mobile Banking
- Internet Banking
- Bancassurance

Stakeholder engagement approach
- Customer centricity
- Peers
- Business partners
- Regulators
- Society

ternal environment and key
of change



Outcomes

FINANCIAL CAPITAL

- Profit after tax
- ROE
- Credit loss ratio
- Increase in deposits
- Increase in loans and advance
- Decrease in cost to income ratio, etc.

HUMAN CAPITAL

- Enhanced employee motivation, skills and diversity
- A more transformed workplace
- Staff attrition
- Low levels of retrenchments; etc.

INTELLECTUAL CAPITAL

- Attracted skills in data analytics
- Empowered cross-functional teams
- Using an agile approach; etc.

MANUFACTURED CAPITAL

- New customers
- New opened accounts
- Increase in logins across banking platforms
- Staff work from home capability; etc.

NATURAL CAPITAL

- Executive sustainability engagement
- Waste management
- Management of utilities; etc.

SOCIAL AND RELATIONSHIP CAPITAL

- Consumer financial education
- Decrease of clients' complaints; etc.

PRODUCTS **FOR CUSTOMERS**

Current account	TUNGA Savings Account	UMURAGE Savings Account
UMUHIGO Savings Account	INTEGO Savings Account	NYURWA & TUZA Packs
Tontines	Fixed Term Deposit	Isanzure Current Account
Mobile Banking (USSD & App)	Push & Pull	eKash
Internet Banking	VISA Debit cards (Blue & Elite)	SMS & E-alert
Overdraft	Salary advance/ Personal loan	Vehicle Loan
IGA Loan	Tekana Loan	Mortgage Loan
Seasonal Loan	Business Loan	Asset Finance
Construction Loan	Contract Finance	Invoice Discounting
Affordable Housing	Letters of credit, Bonds & Guarantees	Money Remittance

SALES AND **SERVICE CHANNELS**

BRANCHES

We are committed to offering excellent service and sound financial advice at all our branches. We continuously assess the necessity of opening or closing branches to meet customer needs while also renegotiating rental agreements to secure competitive property rates.

ATM

Our ATMs offer customers the convenience of banking at any time—24/7. As part of our service network, they play a key role in making everyday banking more accessible.

MOBILE BANKING

Our goal is to have every customer actively using our digital platforms for their banking needs. Mobile Banking includes both our USSD code (*512#) and the mobile application *MyBOA-Rwanda,* allowing customers to access services quickly and securely. We are continuously enhancing the features of both platforms to provide a seamless and user-friendly experience.

MOBILE BANKING

Complementing our Mobile Banking services, Internet Banking offers customers another flexible and secure way to manage their accounts, make payments, and access banking services from anywhere, at any time.

REPORT ON CUSTOMER SATISFACTION

Customer Service Week is a globally recognized annual celebration dedicated to honoring customers and the employees who serve them, while reinforcing the importance of delivering exceptional customer experiences. It provides organizations with an opportunity to recognize customer loyalty, strengthen relationships, and reaffirm their commitment to service excellence.

In 2025, the Bank successfully celebrated its customers during Customer Service Week through a series of engagement and appreciation activities conducted across branches and customer touchpoints. These initiatives strengthened customer relationships, enhanced the overall customer experience, and reflected the Bank's continued commitment to customer-centricity.







ESSENTIAL **ACTIVITIES 2025**



Muhanga Branch Relocation

The Bank successfully completed the relocation of its Muhanga Branch to a more accessible and customer-friendly location. This initiative was driven by the Bank's commitment to strengthening customer proximity, improving service experience, and ensuring greater convenience for individuals and businesses in the region.



Advancing Women's Financial Inclusion

BANK OF AFRICA – RWANDA reinforced its commitment to inclusive finance through active participation in the Alliance Summit 2025, where the Managing Director engaged with global leaders to advance access to finance for women-led businesses. The Bank further strengthened this commitment by signing the Rwanda Women Entrepreneurs Finance Code Initiative, reaffirming its dedication to empowering women entrepreneurs and promoting inclusive and sustainable economic growth.



Leadership Transition

The year was marked by a smooth and well-managed leadership transition, ushering in a new chapter for the Bank with the appointment of a new Managing Director, Mr. Serge ATIKOSSIE. Both a formal handover ceremony and a welcome event were held, reflecting the Bank's commitment to continuity, stability, and strong governance. This seamless transition ensured sustained strategic direction while bringing renewed momentum to the Bank's growth, transformation, and long-term ambitions.



Head Office Relocation

In 2025, BANK OF AFRICA – RWANDA initiated the relocation of its Head Office to a modern facility that reflects the Bank's growth ambitions, resilience, and commitment to service excellence. This strategic move is aimed at enhancing operational efficiency, fostering collaboration, and providing an improved working environment that supports innovation and high-quality service delivery.

BRANCH **NETWORK**

NYABUGOGO BRANCH
Manue house – KG 11 AVE
P.O.BOX 265 - Kigali – RWANDA
Mobile (250) 788 13 62 63
BNyabugogo@boarwanda.com.

REMERA BRANCH
Land trade house – KG 11 AVE
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BRemera@boarwanda.com.

KABUGA BRANCH
KK 3 Road | P.O.BOX 265
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Mobile (250) 788 13 62 68
Bkabuga@boarwanda.com.

GIKONDO BRANCH
Rebero house – KG 11 AVE
P.O.BOX 265 - Kigali – RWANDA
Mobile (250) 788 13 62 67
BGikondo@boarwanda.com.

KIMIRONKO BRANCH
Promise house – KG 11 AVE
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BKimironko@boarwanda.com.

KAYONZA BRANCH
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MUHANGA BRANCH
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RUSIZI BRANCH
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mail: BRusizi@boarwanda.com

RUBAVU BRANCH
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Email: BRubavu@boarwanda.com

MUSANZE BRANCH
RN4 – P.O.BOX 265
Kigali – RWANDA
Mobile: (250) 788 13 62 72
Email: BMusanze@borwanda.com

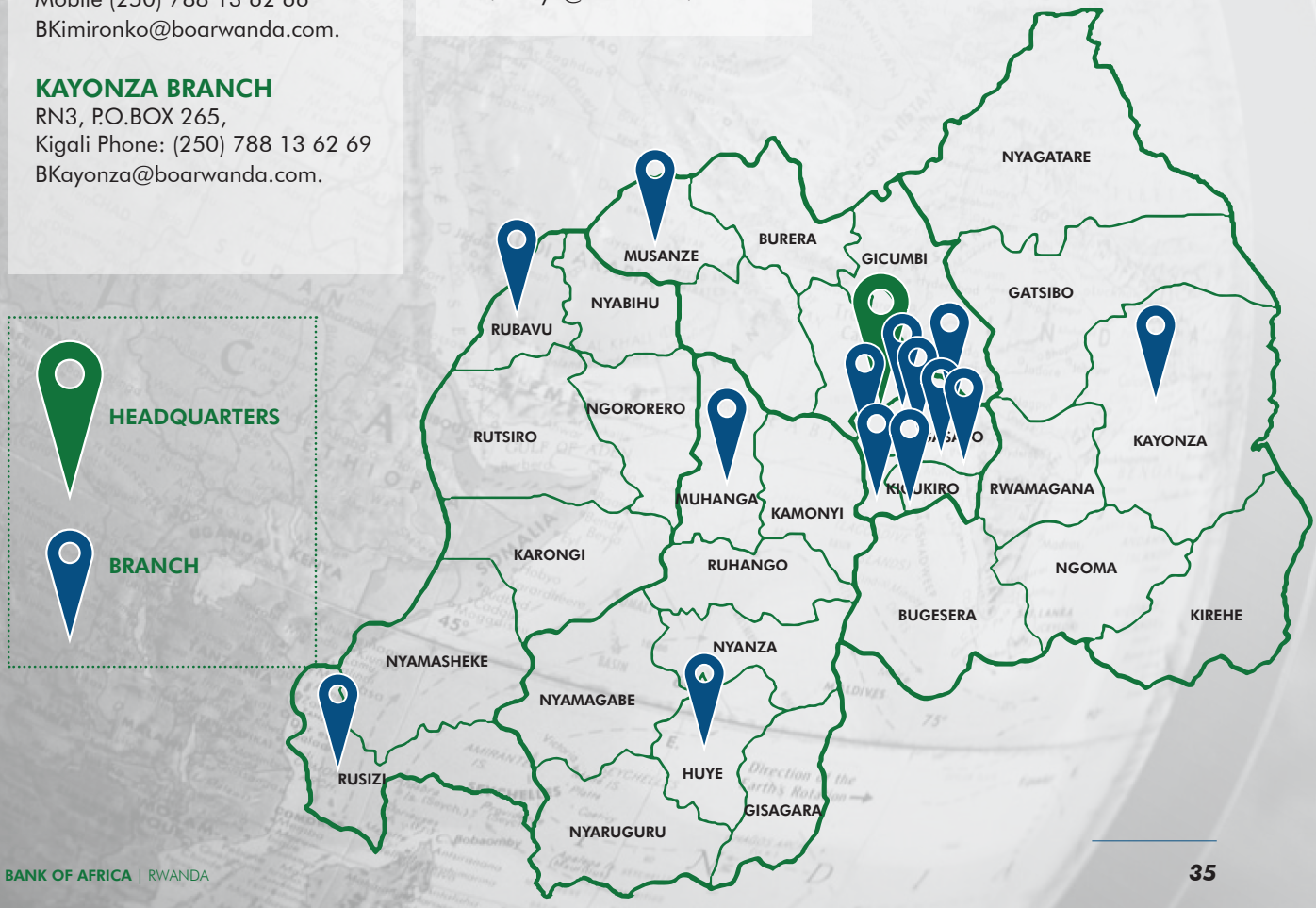
HUYE BRANCH
RN1 – P.O.BOX 265 –
Kigali – RWANDA |
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Email: Bhuye@borwanda.com

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K.I.C house KG 11 AVE
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MAIN BRANCH
Chic complex ground floor
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Email: Info@boarwanda.com

GISOZI BRANCH
Umukindo House KG693 st,
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MILLE COLLINES OUTLET
Mille collines Hotel 2 KN 6 Ave, Kigali
P.O. Box 265, Kigali – RWANDA
Mobile: (250) 788 13 62 61
BNyarugenge@boarwanda.com



EXTERNAL **ENVIRONMENT**

Below are some environmental aspects that impact on the Bank's strategies:



Low disposable income



Low saving culture



Majority is made of children, students and unemployed



Concentrated market



Low purchasing power



High number of Retail customers are in informal and not very stable institutions



High labor turnover due to margins and acquisitions



High competition from commercial banks and Telcos affecting pricing

CONSUMER PROTECTION LAW

At Bank of Africa Rwanda, consumer protection is at the heart of our commitment. We aim to uphold the highest standards of transparency, fairness, and accountability in all interactions with our customers. This aligns with our broader mission to foster financial inclusion, customer trust, and long-term sustainability.

Regulatory Compliance

The Bank endeavors to ensure compliance with all applicable consumer protection regulations, including those issued by the National Bank of Rwanda. These covers:

- Fair lending practices
- Transparency of terms and conditions
- Customer data privacy and protection
- Complaint handling and grievance redress mechanisms.

Regular internal audits, compliance and regulatory reviews are conducted to ensure full compliance.

Fair Treatment of Customers

We have embedded the principle of treating customers fairly into our business culture.

This includes:

- Providing clear, timely, and relevant product information
- Ensuring that products and services meet the needs of specific customer segments
- Avoiding mis-selling and unethical marketing practices
- Offering accessible support for all customers, including vulnerable groups

Customer Complaint Management

We maintain a transparent and responsive grievance redress mechanism, coordinated by our Customer Care and Service Excellence teams.

Key features include:

- Multiple channels for complaint submission (branches, call center, digital platforms)
- Procedures for turnaround time and complaint resolution
- Regular reporting to senior management

Data Privacy and Cybersecurity

We uphold the highest standards of data privacy and confidentiality, aligned with national regulations and international best practices. Our IT and Cybersecurity teams implement strict controls to safeguard customer data, supported by:

- Data protection policies
- Multi-layered cybersecurity architecture
- Staff training on data handling and ethical conduct

Digital Inclusion and Accessibility

As part of our digital transformation agenda, we ensure that all platforms and services are user-friendly, inclusive, and accessible, particularly for people with disabilities, the elderly, and rural populations.

Monitoring and Evaluation

We regularly assess our consumer protection efforts through:

- Customer satisfaction surveys
- Mystery shopping exercises
- Internal monitoring and corrective action reviews

Forward-looking Focus

Looking ahead, Bank of Africa Rwanda will continue to strengthen its consumer protection strategy through:

- Staff training and awareness on consumer protection
- Financial Literacy and Customer Empowerment
- Enhancing our complaints handling systems
- Enhancing our customer notification and tracking systems

5 PERFORMANCE

BUSINESS AND FINANCIAL **PERFORMANCE OVERVIEW**

In 2025, BANK OF AFRICA RWANDA demonstrated resilience and strategic focus despite a challenging operating environment.

While loan growth remained moderate during the year, the bank successfully optimized liquidity management through the resumption of short-term placements with other financial institutions. At the same time, the bank strategically reduced its exposure to government securities in order to strengthen its focus on financing clients and supporting business development.

Customer deposits continued to improve, enabling the bank to reduce borrowings from other banks and lower interest expenses.

The bank also maintained strong discipline in controlling operating expenses. Although the cost-to-income ratio increased, this was mainly driven by strategic investments in the new head office, aimed at supporting future growth and operational efficiency.

Furthermore, intensified loan recovery efforts significantly improved the cost of risk, positively impacting profitability. BANK OF AFRICA – RWANDA remains committed to sustainable growth and strengthening its position in the Rwandan banking market.

Key Figures 2024	2024	2025	Variance
Activity			
Deposits	121,526,487	134,368,421	10.6%
Loans	74,285,280	78,968,414	6.3%
Number of branches at the end of the financial year	15	15	0.0%
Structure			
Total Assets	181,121,303	200,068,117	10.5%
Shareholders' equity	25,360,430	25,212,632	-0.6%
Number of employees at the end of the financial year	200	204	2.0%
Solvability			
Tier 1	21,903,999	22,737,699	
Tier 2	1,152,606	1,563,388	
Risk Weighted Asset (RWA)	92,208,446	124,933,503	
Tier 1 + Tier 2 / RWA	25.0%	19.5%	
Income			
Operating income	15,247,489	17,453,094	14.5%
Operating expenses (including depreciation and amortization)	-8,089,854	-10,409,839	28.7%
Net operating profit	7,157,635	7,043,255	-1.6%
Cost of risk in value	-971,181	-360,636	-62.9%
Income tax (expense)/credit	-1,941,748	-1,830,417	-5.7%
Profit after tax	4,244,706	4,852,202	14.3%
Operating ratio (%)	53.2%	60.2%	
Cost of credit risk (%)	-1.4%	-0.5%	
Return on Assets (ROA %)	2.4%	2.5%	
Return on Equity (ROE %)	18.3%	18.2%	
Single obligator ratio	56.2%	24.8%	
Liquidity ratio	228.5%	263.2%	

ANNUAL AUDITED FINANCIAL STATEMENTS, **AUDIT REPORT AND NOTES.**

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 Bank of Africa Rwanda Plc. (the "Bank" or "Company").

PRINCIPAL **ACTIVITIES**

The principal activity of Bank of Africa Rwanda Plc is provision of banking services. The Bank has a total of 14 branches and one outlet.

RESULTS AND **DIVIDENDS**

The Bank reported a profit for the year of Frw 4,852,202,000 (2024: Frw 4,244,706,000) which has been added to retained earnings The Directors recommend the payment of a dividend of Frw 3,000,000,000 for the year ended 31 December 2025 (2024: Frw 2,000,000,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements that give a true and fair view of Bank of Africa Rwanda Plc, as set out on pages 9 to 7375 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 the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 Regulation No. 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity 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 law n° 28/2019 of 09/09/2019 on publication by banks of financial statements and other disclosures in Rwanda. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and its operating results.

The Directors have made an assessment of the ability of the Bank to continue as going concern and have no reason to believe that the business will not be a going concern in the year ahead. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

The independent auditor is responsible for expressing an opinion on whether the financial statements give a true and fair view of the Bank's financial position and performance as at and for the year ended 31 December 2025.

Approval of the financial statements

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

Betty SAYINZOGA

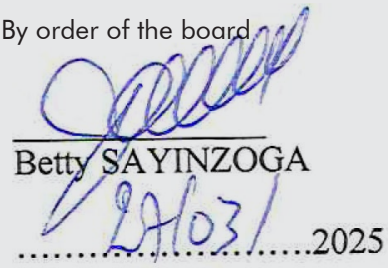
Vincent Istasse

Date: 27/03/.....2025

AUDITOR

PwC was appointed as auditor of the Bank commencing 2023 in accordance with Regulation No 14/2017 of 23/11/2017 on accreditation requirements, for a 3-year term.

By order of the board



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BANK OF AFRICA RWANDA PLC

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Bank of Africa Rwanda Plc (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 and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

What we have audited

The Bank's financial statements on pages 9 to 76 comprise:

- the statement of financial position as at 31 December 2025,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

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

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are matters that, in our professional judgment, 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.

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35 KG 7 Ave, Kacyiru

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Telephone: +250 (252) 588203/4/5/6
Internet: www.pwc.com/rw

Expected credit losses on loans and advances at amortised cost	How key audit matter was addressed in the Audit
Loans and advances to customers comprise a significant portion of the Bank's total assets. The estimation of expected credit losses (ECL) on loans and advances requires management judgement in the assumptions that are applied in the models used to calculate ECL. Changes to the assumptions and estimates used by management could generate significant fluctuations in the Bank's financial results and materially impact the valuation of the portfolio of loans and advances. The policies for estimating ECL are explained in note 3.1 of the financial statements. The key areas where significant judgement has been exercised and therefore, an increased level of audit focus applied, include: – staging of facilities in line with IFRS 9. In particular, the identification of Significant Increase in Credit Risk ("SICR") and Default requires consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether 12-month or lifetime probabilities of default ("PDs") are used, – the assumptions applied in deriving the PDs, loss given defaults ("LGDs") and exposures at default ("EADs") for the various segments of loans and advances, including any adjustments in relation to management overlays, – the appropriateness of forward-looking information used in the model, and – the relevance of forward-looking information used in the models. Due to the significant impact of management judgments applied in calculating the ECL, we designated this as a key audit matter in our audit.	Our audit procedures focused on the significant areas of judgement and estimations that could result in material misstatements in the financial statements. **These procedures included:** – Evaluating the Bank's IFRS 9 impairment methodology, against the requirements of IFRS 9, – We tested the staging of facilities by checking how the Bank extracts 'days past due (DPD)' applied in classifying the loan book into the three stages required by IFRS 9. For a sample of loans, we recalculated the DPD applied in the model and compared these to the DPD as per the Bank's IT system and the respective customer files, – Obtained an understanding of the basis used to determine the PDs, LGDs and EADs, and the impact of management overlays, – We obtained an understanding of the basis used to determine the probabilities of default. We tested the completeness and accuracy of the historical data used in derivation of PDs and LGDs, and re-calculated the same on a sample basis, – For LGD, for a sample of loans and advances, we tested the assumptions on the timing of the cash flows based on empirical evidence. In addition, for secured facilities, we agreed the collateral values used in the ECL model to external valuer reports, – We tested, on a sample basis, the reasonableness of EAD for both on and off balance sheet exposures, – For forward-looking assumptions, we corroborated the assumptions using publicly available information, and – We assessed whether the disclosures in the financial statements on the key judgments and assumptions were adequate.

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Other information

The Directors are responsible for the other information. The other information comprises Corporate information, Report of the directors, Statement of directors' responsibilities and Unaudited other disclosures which we obtained prior to the date of this auditor's report, and the other information that will be included in the integrated report which is expected to be made available to us after that date, 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 we do not and will 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, 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.

When we read the other information that will be included in the integrated report, if we conclude that there is material misstatement there in, we are required to communicate the matter to the directors.

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Responsibilities of the directors with governance for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of 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 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Directors are also responsible for overseeing the Bank's financial reporting process.

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. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, 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.

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Report on other legal and regulatory requirements

Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 requires that in carrying out our audit we consider and report to you on the following matters.

We confirm that:

(i) In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books,

(ii) We have communicated to the Bank's Board of Directors, through separate management letters, internal control matters identified in the course of our audit including our recommendations in relation to those matters,

(iii) We have no relationships, no interests and debt in the Bank, and

(iv) In our opinion according to the best of the information and explanations given to us as shown by the accounting and other documents of the Company, the financial statements comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies.

For PricewaterhouseCoopers Rwanda Limited,

Kigali, _____March 2026

Brian Ngunjiri
Director

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

	Notes	2025 Frw'000	2024 Frw'000
Interest income	4	20,834,823	19,631,719
Interest expense	5	(6,523,962)	(6,950,917)
Net interest income		**14,310,861**	**12,680,802**
Fee and commission income	6	1,674,328	1,490,276
Fee and commission expense	7	(506,256)	(467,562)
Net fee and commission income		**1,168,072**	**1,022,714**
Trading income	9 (a)	1,741,254	1,408,678
Net foreign exchange gain	9 (b)	84,516	23,734
Other net operating income	8	148,391	111,561
		1,974,161	**1,543,973**
Total operating income		**17,453,094**	**15,247,489**
Allowance for expected credit losses	11 (b)	(360,636)	(971,181)
Net operating income		**17,092,458**	**14,276,308**
Operating expenses			
Employee benefits	10	(4,800,501)	(4,106,658)
Depreciation and amortization	18, 19	**(954,444)**	**(698,781)**
Operating expenses	11 (a)	(4,654,894)	(3,284,415)
		(10,409,839)	**(8,089,854)**
Profit before income tax		**6,682,619**	**6,186,454**
Income tax expense	12 (a)	(1,830,417)	(1,941,748)
Profit and total comprehensive income for the year		**4,852,202**	**4,244,706**

The notes on pages 51 to 93 form an integral part of these financial statements

Statement of financial position as at 31 December 2025

	Notes	31-Dec-2025 Frw'000	31-Dec-2024 Frw'000
ASSETS			
Cash and balances with National Bank of Rwanda	13	18,081,766	24,183,293
Deposits and balances due from other banking institutions	14	547,381	639,871
Deposits due from financial institutions abroad	26	20,320,767	9,965,892
Placements		4,365,401	-
Other assets	16	2,784,900	3,152,487
Government securities	15	63,630,293	63,615,830
Loans and advances to customers	17	78,968,414	74,285,280
Property and equipment	18	2,663,303	1,579,684
Non-operating tangible asset		52,592	-
Right-of-use assets	30 (a)	4,312,356	1,329,142
Intangible assets	19	3,062,972	1,334,078
Deferred income tax	12 (b)	1,277,972	1,035,746
Total assets		**200,068,117**	**181,121,303**
LIABILITIES			
Balance due to National Bank of Rwanda	20	43,491	47,597
Customer deposits	21	134,368,421	121,526,487
Deposits due to financial institutions	22	179,884	73,028
Current income tax	12 (c)	475,285	1,245,889
Other liabilities	24	5,884,995	2,074,002
Dividend payable		3,000,000	-
Lease liabilities	30 (b)	4,772,209	1,967,076
Borrowings	23	26,131,200	28,826,794
Total liabilities		**174,855,485**	**155,760,873**
EQUITY			
Share capital	27	20,000,000	20,000,000
Share premium	27	871,740	871,740
Retained earnings		4,340,892	4,488,690
Total equity		**25,212,632**	**25,360,430**
Total equity and liabilities		**200,068,117**	**181,121,303**

The notes on page 51 to 93 form an integral part of these financial statements.

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

	Notes	Share capital	Share premium	Retained earnings	Total equity
Year ended 31 December 2024		Frw'000	Frw'000	Frw'000	Frw'000
At 1 January 2024		20,000,000	871,740	243,984	21,115,724
Profit and total comprehensive income for the year		-	-	4,244,706	4,244,706
At 31 December 2024		**20,000,000**	**871,740**	**4,488,690**	**25,360,430**
Year ended 31 December 2025					
At 1 January 2025		20,000,000	871,740	4,488,690	25,360,430
Profit and total comprehensive income for the year		-	-	4,852,202	4,852,202
Transactions with owners:					
Dividend paid		-	-	(2,000,000)	(2,000,000)
Dividend proposed		-	-	(3,000,000)	(3,000,000)
At 31 December 2025		**20,000,000**	**871,740**	**4,340,892**	**25,212,632**

The notes on pages 51 to 93 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2025

Cash flows from operating activities:	Notes	2025 Frw'000	2024 Frw'000
Profit before income tax		6,682,619	6,186,454
Adjustments for:			
Depreciation on property and equipment	18	580,343	448,599
Depreciation on right-of-use assets	30 (a)	384,831	248,932
Amortisation of intangible assets	19	372,962	250,182
Allowance for expected credit losses	17	1,464,102	1,839,538
Net movement in fair valuation and modification gain/loss		(39,763)	(219,573)
Gain on disposal of fixed assets		(3,113)	(1,696)
Loss on PPE reclassified to asset held for sale		69,868	-
Non-cash movements in right of use assets	30 (a)	296,721	(299,500)
Non-cash movements in lease liabilities	30 (b)	(465,087)	530,675
Finance cost on lease liabilities	30 (b)	315,173	217,255
Cash flows from operating activities before changes in operating assets and liabilities		**9,658,656**	**9,200,866**
Changes in operating assets and liabilities:			
Increase in gross loans and advances		(5,957,436)	(3,731,007)
Decrease/(increase) in other assets		367,587	(1,211,935)
Increase in customer deposits		12,841,934	6,520,721
Increase/(decrease) in deposits due to other banks		106,857	(12,394)
Decrease in balance due to National Bank of Rwanda		(4,105)	(4,481)
Increase/(decrease) in other liabilities		3,665,302	(841,253)
Increase in non-operating tangible asset		(52,592)	-
Increase in government securities		(14,462)	-
		10,953,084	**719,651**
Tax paid	12 (c)	(2,843,246)	(1,077,512)
Net cash from operating activities		**17,768,495**	**8,843,005**
Cash flows from investing activities:			
Purchase of property and equipment	18	(1,733,834)	(778,310)
Proceeds from disposal of property and equipment		3,097	2,478
Acquisition of government securities			-
Proceeds from matured government facilities		-	4,953,300
Matured government securities		-	632,600
Purchase of intangible assets	19	(2,101,856)	(359,367)
Net cash (used in)/from investing activities		**(3,832,593)**	**4,450,701**
Cash flows used in financing activities:			
Proceeds from borrowings	23	724,087,304	1,505,137,826
Borrowing repayments	23	(726,782,897)	(1,502,568,555)
Dividend paid		(2,000,000)	-
Lease payment	30 (b)	(709,719)	(652,631)
Net cash from/(used in) financing activities		**(5,405,312)**	**1,916,640**
Effects of exchange rates		-	631,896
Net increase in cash and cash equivalents		**8,530,589**	**15,842,242**
Cash and cash equivalents at start of year		34,932,560	19,090,318
Cash and cash equivalents at end of year	**29**	**43,463,149**	**34,932,560**

The notes on pages 51 to 93 are an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2025

1. Basis of preparation

1.1. Reporting Entity

Bank of Africa Rwanda Plc (the "bank") is a limited liability company incorporated and domiciled in Rwanda.

The Bank's registered office is at:

KN 67 St, KIYOVU– BOA House
Nyarugenge,
P.O Box 265
Kigali, Rwanda

Bank of Africa Rwanda Plc is a bank licensed to provide retail banking services to corporate, small and medium size enterprises and retail customers in various parts of Rwanda.

1.2. Basis of accounting

The financial statements are prepared in accordance with the IFRS Accounting Standards, 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 Regulation N° 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks in Rwanda.

1.3.Functional and presentation currency

These financial statements are presented in Rwandan francs, which is the Bank's functional and presentation currency. All amounts have been rounded to the nearest thousand (Frw '000') except when otherwise indicated.

1.4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the 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.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

– Note 2(f) (vii): establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

– Notes 2(f) (vii): impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

1.5.Changes in accounting policies

i. New and amended standards applicable from 1 January 2025 but do not have a material effect on the Bank

Number	Effective date	Executive summary
Amendment to IAS 21 titled Lack of Exchangeability (issued in August 2023)	1 January 2025	In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements apply for annual reporting periods beginning on or after 1 January 2025. The amendment also aims to improve information an entity provides related to liabilities subject to these conditions. The amendment had no effect on the financial statements of the Bank.
None of the other new or amended standards that are effective for the first time for the financial year beginning on 1 January 2025 have a material impact on the Bank.		

ii. New and revised IFRS Standards in issue 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

Number	Effective date	Executive summary
Amendments to IFRS 7 and IFRS 9 titled Classification and Measurement of Financial Instruments (issued in May 2024)	1 January 2026	These amendments address diversity in accounting practice by making the requirements more understandable and consistent. The amendments: • clarify the date of recognition and derecognition of some financial assets and liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and • update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
Annual improvements to IFRS - Volume 11 (issued in July 2024)	1 January 2026	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows.
Amendments to IFRS 19 titled Subsidiaries without Public Accountability (issued in May 2024)	1 January 2027	This amendment allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.
Amendments to IFRS 18 titled Presentation and Disclosure in Financial Statements (issued in April 2024)	1 January 2027	IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.
The directors do not expect that the adoption of the improvements, amendment and new standard listed above to have a material impact on the financial statements of the Bank in future periods.		

2. Material accounting policies

(a) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or loss.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the available-for-sale reserve in equity..

(b) Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Bank as the lessee

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.

The Bank leases a number of branches. The lease typically runs for a few years, with option to renew the lease after that date. For some leases, payments are renegotiated every five years to reflect marker rentals. In the event the bank leases other equipment's or branch rental with contract terms of one year or less, these leases are short term and of low value. The bank has elected not recognize the right- of-use asset and lease liability for these leases.

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. Generally, the Bank uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments per contract, the lease liability is measured at amortised cost using the effective interest method. Where the basis for determining future lease payments changes, the Bank remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change and a corresponding adjustment is made to the carrying amount of the right-of-use asset.

(c) Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss, are recognised within 'interest income' or 'interest expense' respectively in the Statement of profit or loss 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.

When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. 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.

(d) Fees and commission

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.

Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses – are recognised on completion of the underlying transaction.

Other fee and commission income is recognized as the related services are performed. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

(e) Operating expenses

Operating expenses include office expenses, travel expenses, professional charges, audit fees, postage and communication, training expenses and other operating expenses. General operating expenses incurred in the current period are recognized in profit or loss. Any payment in excess of the expenses incurred during the period is recorded in the statement of financial position under prepayments. Expenses incurred but not paid for in the current period are accrued in the current year.

(f) Financial instruments

i. Recognition and initial measurement

The Bank initially recognises loans and advances, deposits, debt securities issued and liabilities on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

ii. Classification

(a) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(b) Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Bank's retail and corporate banking business comprises primarily loans to customers that are held for collecting contractual cash flows. In the retail business the loans comprise mortgages, overdrafts, unsecured personal lending and credit card facilities. Sales of loans from these portfolios are very rare.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

iii. Derecognition

Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

iv. Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognised at fair value plus any eligible transaction costs.

Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms.

If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy).

This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss.

Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

vi. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

vii. Impairment

The Bank recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Bank does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

When discounting future cash flows, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets: the original effective interest rate or an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost, debt financial assets carried at FVOCI and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets').

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past-due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different. In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors.

– The market's assessment of creditworthiness.
– The rating agencies' assessments of creditworthiness.
– The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
– The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in retained earnings.

g) Non-current assets held for sale

The bank classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

h) Property and equipment

All property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these assets.

Subsequent expenditures are included in the asset's carrying amount or are 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 repair and maintenance costs are charged to 'operating expenses' during the period in which they are incurred.

Depreciation on assets is calculated on the straight line basis to allocate their cost less their residual values over their estimated useful lives, as follows:

- Refurbishment, Fixtures, fittings and equipment — 10 years
- Computers — 4 years
- Motor vehicles — 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The Bank assesses at each balance sheet 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 grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in "other income" in the Statement of profit or loss.

(j) 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 (seven years for Group projects and four years for local intangible assets).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(k) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Income tax payable on taxable profits is recognized as an expense for the year in which the profits arise.

Income tax recoverable on tax allowable losses is recognized as a current tax asset only to the extent that it is regarded as recoverable and offset against taxable profits arising in the current or future reporting period.

Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be recognized. Such deferred income tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

(l) Cash and cash equivalents

Cash and cash equivalents comprise balances with three months or less to 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. The amounts are available on demand.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

(m) Remuneration policy

(i) Qualitative disclosure

The Bank has a policy of compensation entitled "BOA Rwanda Compensation Policy". It has been designed in line with updating the existing guidelines on compensation in line with compliance with the directive on compensation for Banks No.2600/2023-00034(613) of 05/06/2023.

The policy is reflection of the Bank strategy on compensation, and it's designed to ensure retention for key employees, Risk mitigation, consideration of employee's performance, Professional skills, and expertise.

It's subject to amendments, additions and deletions from time to time with a view to improving well-being while reflecting changing business needs and conditions.

BOA Rwanda places a high premium on intellectual resources and good employee relations. To this end, the Bank will always ensure it offers competitive compensation and excellent opportunities for career development and self-fulfillment.

(ii) Remuneration background at BOA

As part of the management of Human Resources, the Bank of Africa Rwanda undertakes to implement a remuneration policy with several objectives:

Equity: To avoid injustices through a system of values measured in relation to seniority, function, and performance

Competitiveness: To attract and retain valuable employees by offering attractive remuneration compared to the market

Motivation and recognition of the services provided: Recognizing the merits of individuals

A cost regulation function to adjust personnel costs according to the bank's performance. The Bank of Africa's remuneration policy thus aims to make remuneration a lever for the attractiveness and loyalty of employees contributing to the long-term performance of the company; it takes into account the appropriate risk and compliance Management.

The remuneration policy is based on common principles for BOA Rwanda and is then detailed according to the business lines and market practices and contexts.

(iii) Nomination and Remuneration Committee.

The Remuneration and compensation committee is the first and utmost committee in ensuring the stability and sustainability of the compensation practices within the Bank. The committee shall approve all compensation practices and shall oversee the compensation practices continuously and will ascertain compliance with local and group directives.

(iv) Bank of Africa Senior Management

The senior Management of the Bank is responsible with implementing policies and procedures related to compensation and complying with the Central Bank regulations on compensation.

In Addition to this they shall:

1. Ensures that concerned management team and other staff receive fair treatment, rewarding career opportunities and attractive working conditions, including pay and benefits.
2. Annual disclosure of the compensation status within the Bank.
3. In line with attracting competent resources the management will strive to promote equal opportunity for employment and career advancement and to eliminate influences of bias based on race, tribe, ethnic background, sex, age, marital status, and handicap.
4. Provides appropriate and specific professional qualifications and other relevant professional development opportunities for employees to improve their skills and realize their full potential.
5. Develops and ensures the maintenance of highly motivated, competent, loyal, and effective employees.
6. Develops compensation and other benefits, which will attract and retain competent employees.
7. The Management shall regularly be giving recognition to the variances among positions within the Bank and shall maintain a performance-based review system.

(v) Risk

Risk Department as a control function is key is the determination of the remuneration policy especially in risk measurement, risk judgements and the assessment of the effectiveness of incentives within the Bank. Board nomination and remuneration committee shall consult risk management function regularly in line with fulfilling their role in the mitigating risks related compensation in the Bank.

(vi) Internal Audit

Through yearly Audit missions, the internal auditors will review the design and implementation of the remuneration policy in line with mitigating related risks within the Bank.

(vii) compensation structure

1. General Guidelines

The Bank's compensation policy refers to payments done to employee as fixed annual amount payable per staff and other relevant benefits. The policy also refers to the salary review and variable payments which are performance and market driven. The Policy aims to ensure staff are paid at the fair and competitive rate with the overall objective of ensuring employee Retention stability within the employment of BOA Rwanda PLC.

The Bank's remuneration policy shall always ensure that there is an appropriate balance of fixed and variable compensation, which include both short-term and long-term incentives, and is weighted towards performance-related elements that consider individual performance, functional and corporate performance. Furthermore, the bank's remuneration shall always consider short term and along term risks that might occurs within the Bank's operations and the executive management shall monitor continuously the entire rewards effects on general operational of the Bank.

The Bank's compensation and benefits package is designed to ensure that we attract and retain the best people available. The Bank is committed to ensuring that employees are well compensated for their contributions to our success. Our benefits aim to provide our employees with a healthy, comfortable lifestyle, and to provide attractive incentives for choosing a long-term career with the Bank of Africa.

BOA Rwanda Plc shall pay an equal pay for equal work. The Bank considers discrimination and partial treatment as costly mistakes which makes even high salaries not to be appreciated, therefore in fixing staff compensations, the Bank will take cognisance of the relative market factors. The management will aim for equity in remuneration; therefore, all employees at the same level receive the same compensation and benefits package.

BOA Rwanda Plc will pay competitive rates for the job, which will enhance BOA's capacity to attract, retain and to reward competent staff while recognizing the relative added value of staff to the organization. All compensation, however, must be within the budgetary constraints.

2. Retention Considerations

The Board nomination and compensation committee will ensure there is an organizational Development approach to retaining skilled and competent employees through understanding, managing, and addressing workforce needs.

BOA Management will always ensure retention of employees in line with sustaining stability at workplace, this will be done through various practices including promoting a conducive organizational culture; promotion of career planning and development through talent management programs and putting in places competitive staff remuneration and Benefits.

Retention strategy is a key component of the foundation to the BOA talent management framework. It is made up of a number of tangible and intangible drivers which provide a holistic approach to retention and its function as part of BOA's talent strategy. A holistic retention strategy allows a view in which all employees are retained, according to their relative importance to business success and continuity.

At BOA, the retention strategy is integral to, and supportive of, the Talent management strategy. The five pillars of the retention strategy are:

Great Company: BOA brand and reputation.

Great Culture: BOA values and company culture and behaviours.

Great Career: Long term opportunities for development and advancement.

Great Leaders: Inspiring leadership and best people to work with.

Great Rewards & Recognition: Marketable and equitable remuneration.

Above pillars provide focused areas of retention and associated mechanisms. Different mechanisms in each pillar provide ways of retaining and motivating employees. These mechanisms are a combination or monetary/ non-monetary, development and flexibility options.

From time to time the management will strive to develop and implement programs following above pillars in line with ensuring retention of BOA talent.

Quantitative disclosure

Details	Base salaries and role based allowance	All benefits	Total fixed remuneration	Total variable remuneration	Total remuneration
1. Board	52,939	-	52,939	-	52,939
Number:	5	-	-	-	-
% of total remuneration	2%		2%	-	-
2. Senior Management	836,509	70,591	907,100	19,492	926,5912
Number:	6	6	6	-	-
% of total remuneration	24%	2%	26%	-	27%

(ii) Other entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

(n) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the Statement of comprehensive income over the period of the borrowings using the effective interest method.

(o) Share capital and share premium

The bank classifies instruments issued as equity instruments in accordance with the substance of the contractual terms of the instruments. The banks equity instruments are not redeemable by holders and bear entitlement to coupons. Accordingly they are presented within equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

(p) Other operating income

This includes miscellaneous income such as amounts charged for tenders and fees on account closing not classified as part of the main revenue items.

(r) Accumulated losses/ retained earnings

This represents the year-on-year profit/loss from operations.

(s) Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

(t) Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursement.

(u) Deposits

Customer deposits are a source of funding for the bank. Customer deposits are measured at amortised cost.

3. Financial Risk management

The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Bank's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance. The Bank defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

3.1. Credit risk

'Credit risk' is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Bank's loans and advances to customers and debt security investments. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

The board of Directors, through the Board credit committee have oversight over credit risk. The Bank has a separate credit and risk department that is responsible for managing credit risk and reports to the Board Credit committee.

i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	31-Dec-2025 Frw'000	31-Dec-2024 Frw'000
ASSETS		
Balances with National Bank of Rwanda	13,586,712	18,117,842
Deposits and balances due from other banking institutions	547,381	639,871
Placements	4,365,401	-
Deposits due from financial institutions abroad	20,320,767	9,965,892
Government securities	63,630,293	63,615,831
Loans and advances to customers	78,968,414	74,285,280
	181,418,968	**166,624,716**

ii. Credit quality analysis

The following tables set out information about the credit quality of financial assets measured at amortised cost and debt investments without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances	IFRS 9 12-month PD ranges	Stage 1	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
31-Dec-25		**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Grades 0-29 days: Normal	0-0.28	78,527,814	-	-	78,527,814
Grades 30-89 days: Watch	0.29-99.99	-	4,449,990	-	4,449,990
Grades >90 days: Default	100	-	-	918,311	918,311
Gross carrying amount		78,527,814	4,449,990	918,311	83,896,115
Loss allowance		(2,628,987)	(1,474,454)	(824,260)	(4,927,701)
Carrying amount		**75,898,827**	**2,975,536**	**94,051**	**78,968,414**

31-Dec-24					
Grades 0-29: Normal	0-0.28	69,206,547	-	-	69,206,547
Grades 30-89: Watch	0.29-99.99	-	7,800,015	-	7,800,015
Grades >90: Default	100	-	-	1,373,908	1,373,908
Gross carrying amount		69,206,547	7,800,015	1,373,908	78,380,470
Loss allowance		(2,502,193)	(363,650)	(1,229,347)	(4,095,190)
Carrying amount		**66,704,354**	**7,436,365**	**144,561**	**74,285,280**

Government securities movement in gross amount	**2025 Frw'000**	**2024 Frw'000**
At 1 January	**63,973,234**	**69,693,541**
T-bonds matured	-	(632,600)
Sold T-bonds	-	(4,953,300)
Fee amortisation	(6,806)	(25,853)
Increase/decrease in accrued interest	21,268	(108,554)
Gross amount	**63,987,696**	**63,973,234**
T-Bonds ECL	(357,403)	(357,403)
Carrying amount	**63,630,293**	**63,615,831**

The credit ratings for Government bonds and treasury bills held with National Bank of Rwanda stands at **B+** with stable outlook.

Other financial assets	**2025 Frw'000 Stage 1**	**2024 Frw'000 Stage 1**
Deposits and balances due from other banking institutions	548,017	643,464
Deposits due from financial institutions abroad	20,392,266	10,004,010
Gross carrying amount	**20,940,284**	**10,647,474**
Loss allowance	(72,135)	(41,711)
Carrying amount	**20,868,148**	**10,605,763**
Guarantees and commitments		
Gross carrying amount	9,166,726	12,488,749
Loss allowance	(119,265)	(124,887)
Carrying amount	**9,047,461**	**12,363,862**

Internal rating grades and prudential rating grades

The Bank uses the prudential rating gradings as internal grading system to classify its financial assets and below table highlights the correspondent IFRS 9 ratings.

National Bank of Rwanda Guidelines	**IFRS 9 rating gradings**
Grade 1: Normal	Stage 1
Grade 2: Watch	Stage 2
Grade 3: Substandard	Stage 3
Grade 4: Doubtful	Stage 3
Grade 5: Loss	Stage 3

Collateral held and other credit enhancements

The Bank employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Bank has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The Bank prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically.

The principal collateral types for loans and advances are:

- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities; and
- Commitments and letters of undertaking from the Government of Rwanda.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. 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 generally unsecured.

The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses.

Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	2025		2024	
In Frw'000	**Carrying amount**	**Collateral**	**Carrying amount**	**Collateral**
Stages 1 and 2	78,874,363	142,969,063	75,372,991	137,578,549
Stage 3	94,050	1,024,221	1,087,711	2,492,580

iii. Write-off policy

The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the period ended 31 December 2023 was Frw 223 million. The Bank still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

iv. Modification of financial assets

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 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.

The following table provides financial information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime ECL.

Financial assets modified during the year	31-Dec-25 Frw'000	31-Dec-24 Frw'000
Amortised cost before modification	2,064,856	2,427,552
Net modification gain	-	45,759
	2,064,856	**2,473,311**

v. 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 Group's historical experience and expert credit assessment and including forward-looking information.

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

These factors vary depending on the nature of the exposure and the type of borrower. Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk grade deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

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 jurisdiction or region 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. As a general indicator, the credit risk of a particular exposure is deemed to have increased

significantly since initial recognition based on whether the client is above 30 days past due and 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 judgement and relevant historical experiences.

Management overlays may be applied to the model outputs if consistent with the objective of identifying a significant increase in credit risk.

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 90 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.

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.

The Bank formulates three economic scenarios: a base case, which 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 information used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies, monetary authorities and supranational organisations such as the International Monetary Fund.

The macroeconomic variables (MEVs) that were selected for BOA FLI modelling included Nominal GDP, % of global, Lending rate, %, ave, Real rates (AVG) and M3, LCU (which represents short term, liquid securities such as deposits and money market funds. These met the correlation expectations.

The weightings assigned to each economic scenario at 31 December were as follows:

31 Dec 2025	Upside	Central	Downside
Scenario probability weighting	10%	20%	70%
31 Dec 2024	**Upside**	**Central**	**Downside**
Scenario probability weighting	10%	20%	70%

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

2025	Stage I	Stage II	Stage III	Total
Loans and advances to customers	**12 Month ECL Frw'000**	**Lifetime ECL Frw'000**	**Lifetime ECL Frw'000**	**Frw'000**
Balance as at 1 January	**2,502,193**	**363,650**	**1,229,347**	**4,095,190**
Stage transfer				
Stage 1 to stage 2	(57,332)	57,332	-	-
Stage 1 to 3	(277,130)	-	277,130	-
Stage 2 to stage 3	-	(12,696)	12,696	-
Stage 2 to stage 1	231,603	(231,603)	-	-
Stage 3 to stage 2	-	69,621	(69,621)	-
Stage 3 to stage 1	456,626	-	(417,449)	39,177
Allowance on new loans and advances	801,242	1,040,405	204,000	2,045,647
Charge during the year	-	-	-	-
Write off during the year	-	-	(455,601)	(455,601)
Matured loans	(1,028,215)	187,745	43,758	(796,712)
Balance as at 31 December	**2,628,987**	**1,474,454**	**824,260**	**4,927,701**

2024	Stage I	Stage II	Stage III	Total
Loans and advances to customers	**12 - Month ECL Frw'000**	**Lifetime ECL Frw'000**	**Lifetime ECL Frw'000**	**Frw'000**
Balance as at 1 January	**1,137,462**	**633,120**	**5,505,008**	**7,275,590**
Stage transfer				
Stage 1 to stage 2	314,348	(314,348)	-	-
Stage 1 to 3	-	(90,560)	90,569	-
Stage 2 to stage 3	-	(52,270)	52,270	-
Stage 2 to stage 1	45,243	(45,243)	-	-
Stage 3 to stage 2	-	199,255	(199,255)	-
Stage 3 to stage 1	294,047	-	(294,047)	-
Allowance on new loans and advances	636,640	52,112	37,657	726,409
Charge during the year	123,864	-	-	123,864
Write off during the year	-	(7,190)	(3,674,935)	(3,682,125)
Matured loans	(49,411)	(11,217)	(287,920)	(348,548)
Balance as at 31 December	**2,502,193**	**363,650**	**1,229,347**	**4,095,190**

The following tables show reconciliations from the opening to the closing balance of the gross loans.

2025	Stage I Frw'000	Stage II Frw'000	Stage III Frw'000	Total Frw'000
Balance as at 1 January	**69,206,547**	**7,800,015**	**1,373,908**	**78,380,470**
Stage 1 to stage 2	(2,410,996)	2,410,996	-	-
Stage 1 to 3	(165,316)	-	165,316	-
Stage2 to stage 3	-	(178,764)	178,764	-
Stage 2 to stage 1	2,333,901	(2,333,901)		-
Stage 3 to stage 2	-	104,399	(104,399)	-
Stage 3 to stage 1	453,396	-	(453,396)	-
New loans	32,660,319	(294,125)	225,762	32,591,956
Modification gain/(loss) and staff discount	(39,763)	-	-	(39,763)
Written off loan	-	-	(455,601)	(455,601)
Matured loans	(23,510,274)	(3,058,630)	(12,043)	(26,580,947)
Balance as at 31 December	**79,108,850**	**4,313,965**	**1,058,088**	**84,480,903**

2024	Stage I Frw'000	Stage II Frw'000	Stage III Frw'000	Total Frw'000
Balance as at 1 January	**69,693,681**	**3,602,548**	**5,737,914**	**79,034,143**
Stage 1 to stage 2	(12,336,789)	12,336,789	-	-
Stage 1 to 3	(300,287)	-	300,287	-
Stage2 to stage 3	-	(112,653)	112,653	-
Stage 2 to stage 1	1,858,104	(1,858,104)	-	-
Stage 3 to stage 2		305,590	(305,590)	-
Stage 3 to stage 1	256,146	-	(256,146)	-
New loans	14,504,134	161,877		14,666,011
Modification gain/(loss) and staff discount	-219,573	-	-	219,573
Written off loan	-	-	(3,736,673)	(3,736,673)
Matured loans	(9,141,223)	(1,032,755)	(1,135,833)	(11,309,812)
Balance as at 31 December	**69,693,681**	**3,509,679**	**5,830,784**	**79,034,144**

vi. Concentration of credit risk

Concentration by sector

The Bank's financial instruments do not represent a concentration of credit risk because the Bank deals with a variety of customers and its loans and advances are structured and spread among a number of customers. The Bank monitors concentrations of credit risk by sector.

An analysis of concentrations of credit risk at the reporting date is shown below:

	31-Dec-25		31-Dec-24	
	FRw'000	Percentage	FRw'000	Percentage
Overdraft	3,621,406	4.32%	15,919,417	20.31%
Treasury loan	21,939,838	26.15%	17,552,975	22.22%
Agriculture loans	16,645,636	19.84%	8,258,020	10.45%
Equipment loan	7,720,327	9.20%	6,881,450	8.71%
Consumer loan	10,491,357	12.51%	5,169,381	6.54%
Mortgage loan	23,287,308	27.76%	24,511,895	31.82%
Education Loan	190,243	0.23%	87,332	0.11%
	83,896,115	**100%**	**78,380,470**	**100%**

Concentration by sector

	31-Dec-25		31-Dec-24	
Branch name	**Frw'000**	**Percentage**	**Frw'000**	**Percentage**
Business Center	36,164,446	43.11%	38,733,466	49.42%
Gikondo	1,679,382	2.00%	1,509,944	1.93%
Gisozi	1,699,029	2.03%	1,468,694	1.87%
Huye	3,908,881	4.66%	2,764,156	3.53%
Kabuga	3,249,836	3.87%	2,340,361	2.99%
Kayonza	2,475,436	2.95%	1,290,163	1.65%
Kimironko	2,072,906	2.47%	1,491,472	1.90%
Main Branch	9,597,104	11.44%	10,087,660	12.87%
Muhanga	2,469,988	2.94%	2,024,223	2.58%
Musanze	2,944,847	3.51%	2,492,887	3.18%
Nyabugogo	3,786,349	4.51%	1,910,223	2.44%
Nyarugenge	3,695,482	4.40%	3,583,088	4.57%
Remera	4,446,902	5.30%	3,743,077	4.78%
Rubavu	2,837,208	3.38%	2,311,052	2.95%
Rusizi	2,868,319	3.42%	2,630,004	3.36%
	83,896,115	**100%**	**78,380,470**	**100%**

Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its 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.

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.

As part of the short term liquidity management, the bank also has an open line of credit from the Bank of Africa group that can be called upon as and when required.

Exposure to liquidity risk

The key ratio used by the bank for managing liquidity risk is the Liquidity Coverage Ratio (LCR) is measures the bank's resilience to potential liquidity disruptions over a thirty (30) day horizon, by ensuring that a bank has sufficient unencumbered, high-quality assets to offset the net cash outflows it could encounter under an acute short-term stress scenario.

The bank compute and maintain Liquidity Coverage Ratio on monthly basis and ensure ratio high-quality liquid assets to its net cash outflows over the 30-day period must never be less than 100 percent. (Stock of high-quality liquid assets)/ (Net cash outflows over a 30-day time period) ≥100percent.

Details of the LCR at the reporting date and during the reporting period were as follows:

	31 December 2025	31 December 2024
At 31 December		
Average for the period	278%	177%
Maximum for the period	381%	229%
Minimum for the period	161%	121%

The table below sets out the remaining contractual maturities of the Bank's financial liabilities and financial assets:

At 31 December 2025	1-3 M months Frw '000	3-12 M months Frw '000	1-5 Y years Frw '000	Over 5 years Frw '000	Total Frw '000
Liabilities					
Customer deposits	115,598,978	18,769,443	-	-	134,368,421
Deposits and balances due to banking institutions	-	-	223,377	-	223,377
Borrowings	26,131,201	-	-	-	26,131,201
Lease liabilities	177,430	532,289	4,049,868	3,235,601	7,995,188
Dividend payable	-	3,000,000	-	-	3,000,000
Other liabilities	5,884,995	-	-	-	5,884,995
	150,792,604	**19,525,109**	**4,049,868**	**3,235,601**	**177,603,182**

At 31 December 2024	1-3 M months Frw '000	3-12 M months Frw '000	1-5 Y years Frw '000	Over 5 years Frw '000	Total Frw '000
Liabilities					
Customer deposits	74,668,926	46,549,397	308,164		121,526,487
Deposits and balances due to banking institutions	-	120,625	-	-	120,625
Borrowings	28,826,794	-	-	-	28,826,794
Lease liabilities	139,209	613,008	3,494,220	1,640,707	5,887,144
Other liabilities	2,074,002	-	-	-	2,074,002
	105,708,931	**47,283,030**	**3,802,384**	**1,640,707**	**158,435,052**

The Bank manages its positive liquidity position by strategically investing in a range of opportunities, such as Treasury Bonds (T-Bonds) and lending to other counterparties.

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, foreign currencies, and equity products, all 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 optimising the return on risk. Overall responsibility for managing market risk rests with the Assets and Liabilities Committee (ALCO). The Treasury department is responsible for the development of detailed risk management policies (subject to review and approval by the ALCO) and for the day-to-day implementation of those policies.

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. Included in the table are the Bank's financial instruments, categorised by foreign currency.

	2025			
	EUR Frw '000'	GBP Frw '000'	USD Frw '000'	Total Frw '000'
Assets				
Cash in hand	644,977	64,640	2,254,521	2,964,138
Due from National Bank of Rwanda	227,152	-	12,305,083	12,532,235
Due from other banking institutions	3,211,757	1,506	16,422,000	19,635,263
Loans and advances			19,726	19,726
	4,083,886	**66,146**	**31,001,330**	**35,151,362**
Liabilities				
Customer deposits	3,295,622	34,547	36,625,783	39,955,952
Due to other banking institutions			150,601	150,601
	3,295,622	**34,547**	**36,776,384**	**40,106,553**
Net Financial Position	**788,264**	**31,599**	**(5,775,054)**	**(4,955,191)**

	2024			
	EUR Frw '000'	GBP Frw '000'	USD Frw '000'	Total Frw '000'
Assets				
Cash in hand	257,470	9,529	2,127,776	2,394,775
Due from National Bank of Rwanda	501,387	-	6,056,822	6,558,209
Due from other banking institutions	2,832,008	14,931	7,525,986	10,372,925
Loans and advances	-	-	15,165,829	15,165,829
	3,590,865	**24,460**	**30,876,413**	**34,491,738**
Liabilities				
Customer deposits	3,445,327	1,167	31,889,096	35,335,590
Due to other banking institutions	-	-	70,327	70,327
	3,445,327	1,167	31,959,423	35,405,917
Net Financial Position	**145,538**	**23,293**	**(1,083,010)**	**(914,179)**

The table below shows the average and year end exchange rates of the Rwanda francs against major currencies:

	2025 USD	2024 USD	2025 EUR	2024 EUR	2025 GBP	2024 GBP
Average	1428.88	1,318.64	1,615.61	1,426.96	1,884.10	1,686.33
Closing	1453.08	1,381.09	1705.84	1,440.98	1956.13	1,738.92

Sensitivity analysis

The following table demonstrates the sensitivity, to a reasonable possible change in the USD and EUR, with all other variables held constant, of the Bank's profit before income tax due to changes in fair value of monetary assets and liabilities. The Bank's exposure to foreign currency changes for all other currencies is not material. The effect on profit before tax and on equity is disclosed below:

	Effect on profit before tax 2025	Effect on profit before tax 2024	Effect on Equity 2025	Effect on Equity 2024
31-Dec	**Frw '000**	**Frw '000**	**Frw '000**	**Frw '000**
Changes in EUR +/- 10%	+/- 78,826	+/- 14,554	+/- 78,826	+/- 14,554
Changes in GBP +/- 10%	+/- 3,160	+/- 2,329	+/- 3,160	+/- 2,329
Changes in USD +/- 10%	+/- 507,505	+/- 108,301	+/- 507,505	+/- 108,301

Interest rate risk

Under this, interest sensitive assets and liabilities are classified into various time bands according to their maturity in the case of fixed interest rates, and residual maturity towards next pricing date in the case of floating exchange rates. The size of the gap in a given time band is analysed to study the interest rate exposure and the possible effects on the Bank's earnings.

In order to evaluate the earnings exposure, interest Rate Sensitive Assets (RSA) in each time band are netted off against the interest Rate Sensitive Liabilities (RSL) to produce a repricing gap for that time band. A positive gap indicates that the Bank has more RSA and RSL. A positive of asset sensitive gap means that an increase in market interest rates could cause an increase in the net interest margin and vice versa.

Conversely, a negative or liability sensitive gap implies that the Bank's net interest margin could decline as a result of increase in market rates and vice versa.

At 31 December 2024, if the interest rates on interest bearing assets and liabilities had been 200 basis points higher/lower with all other variables held constant, the pre-tax profit for the year would have been Frw 345 million (2023: Frw 74 million) higher/lower.

The table below summarises the Bank's exposure to interest rate risk. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

At 31 December 2025	1-3 m months Frw '000'	3-12m months Frw '000'	Over 1 year Frw '000'	Non-interest bearing Frw '000'	Total Frw '000'
Assets					
Cash and bank balances with National Bank of Rwanda	-	-	-	18,158,101	18,158,101
Deposits and balances due from banking institutions	548,017	-	-	-	548,017
Deposits due from financial institutions abroad	20,392,266	-	-	-	20,392,266
Loans and advances to customers	11,832,599	25,427,295	46,636,221	-	83,896,115
Government securities	-	-	63,987,696	-	63,987,696
Other assets	-	-	-	2,486,957	2,486,957
Total assets	**32,772,882**	**25,427,295**	**110,623,917**	**20,645,058**	**189,469,152**
Liabilities					
Customer deposits	2,237,610	11,783,700	15,315	120,331,796	134,368,421
Deposits and balances due to banking institutions	-	223,377	-	-	223,377
Other borrowed funds	26,131,201		-	-	26,131,201
Other liabilities	-	-	-	5,884,995	5,884,995
Total liabilities	**28,368,811**	**12,007,077**	**15,315**	**126,216,791**	**166,607,994**
Interest rate sensitivity position	**4,404,071**	**13,420,218**	**110,608,602**	**(105,571,733)**	**22,861,158**

At 31 December 2024	1-3 m months Frw '000'	3-12m months Frw '000'	Over 1 year Frw '000'	Non-interest bearing Frw '000'	Total Frw '000'
Assets					
Cash and bank balances with National Bank of Rwanda	-	-	-	24,183,293	24,183,293
Deposits and balances due from banking institutions	643,464	-	-	-	643,464
Deposits due from financial institutions abroad	10,004,010	-	-	-	10,004,010
Loans and advances to customers	9,833,945	22,045,991	46,500,534	-	78,380,470
Government securities	-	-	63,973,233	-	63,973,233
Other assets	-	-	-	2,932,542	2,932,542
Total assets	**20,481,419**	**22,045,991**	**110,473,767**	**27,115,835**	**180,117,012**
Liabilities					
Customer deposits	1,192,185	14,204,856	23,954	106,105,492	121,526,487
Deposits and balances due to banking institutions	-	120,625	-	-	120,625
Other borrowed funds	28,826,794		-	-	28,826,794
Other liabilities	-	-	-	2,074,002	2,074,002
Total liabilities	**30,018,979**	**14,325,481**	**23,954**	**108,179,494**	**152,547,908**
Interest rate sensitivity position	**(9,537,560)**	**7,720,510**	**110,449,813**	**(81,063,659)**	**27,569,104**

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest rates and exchange rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Bank's profit before tax.

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Sensitivity analysis:	Effect on profit before tax Frw '000'
31 December 2025(+/-) 2%	(+/-)1,352,422
31 December 2024 (+/-) 2%	(+/-)1,013,052

Sensitivity to pre-tax profit is the effect of the assumed change in interest rates on interest bearing assets and liabilities.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Bank's equity.

Sensitivity analysis:	Effect on equity Frw '000'
31 December 2024(+/-) 2%	(+/-)1,352,422
31 December 2023 (+/-) 2%	(+/-)1,013,052

Capital management

Sensitivity to pre-tax profit is the effect of the assumed change in interest rates on interest bearing assets and liabilities. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Bank's equity.

The Bank monitors the adequacy of its capital using ratios established by National Bank of Rwanda. These ratios measure capital adequacy by comparing the Bank's eligible capital with its balance sheet assets, off balance sheet commitments and market risk positions at weighted amounts to reflect their relative risk. The market risk approach covers the general market risk and the risk of open positions in currencies and debt, equity securities. Assets are weighted according the amount of capital deemed necessary to support them.

Four categories of risk weights (0%, 20%, 50% and 100%) are applied, for example cash and money market instruments have zero risk weighting which means that no capital is required to support the holding of these assets. Property and equipment carries 100% risk weighting, meaning that it must be supported by capital equal to 12% of the carrying amount. Certain asset categories have intermediate weightings.

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the balance sheet, are:

- to comply with the capital requirements set by the Central Bank;
- to safeguard the Bank's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to maintain a strong capital base to support the development of its business.
- Capital adequacy and use of regulatory capital are monitored regularly by management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the Central Bank for supervisory purposes. The required information is filed with the Central Bank on a monthly basis.

The Central Bank requires each bank to:

a) maintain a ratio of total regulatory capital to the risk-weighted assets plus risk-weighted off-balance sheet assets (the 'Basel ratio') at or above the required minimum of 10%; and

b) to maintain total capital of not less than 15% of risk-weighted assets plus risk-weighted off-balance sheet items

The Bank's total regulatory capital is comprised of Tier 1 capital (core capital): share capital, share premium, prior year's retained profits, net-after tax profits current year – to – date (50% only) less deductions Goodwill and other intangible assets, current year losses, prohibited loans to insiders, Deficiencies in provisions for losses and other deductions as determined by Central Bank.

Tier 2 capital (Supplementary capital) is comprised of 25% of revaluation reserves on fixed assets, subordinated debt, permanent debt instruments and any other capital as may be determined by the Central Bank.

The table below summarises the composition of regulatory capital and the ratios of the Bank as at 31 December 2023 and 2022 determined in accordance with National Bank of Rwanda regulatory returns:

The risk weighted assets are measured by means of a hierarchy of four risk categories classified according to the nature of the asset and reflecting an estimate of the credit risk associated with each asset and counterparty, taking into account any eligible collateral or guarantees.

A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

Tier 1 capital	2025 Frw '000	2024 Frw '000
Ordinary share capital	20,000,000	20,000,000
Share premium	871,740	871,740
Reserves:		
Prior years' accumulated profit/losses	4,488,690	243,984
Intangible assets	3,062,972	1,334,078
Current year profit	4,852,203	4,244,706
Total	**33,275,605**	**26,694,508**
Tier 2 capital		
Regulatory reserve	1,561,669	1,159,937
Total Capital	**34,837,274**	**27,854,445**
Risk-weighted assets	124,926,573	92,208,446
Capital ratios		
Total minimum regulatory capital expressed as a % of total risk-weighted assets	**15.00%**	**15.00%**
Total capital expressed as a % of risk-weighted assets	**27.89%**	**30.21%**

Risk weighted assets

The table below summarizes the risk weighted assets of the bank at year ended.

	2025 Frw '000	2024 Frw '000
Credit RWA	94,408,363	68,568,348
Market RWA	2,307,593	161,580
Operational RWA	28,210,617	23,678,447

Fair values of financial instruments

Valuation models

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Rwanda Stock Exchange)
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level primarily includes financial investments.
- Level 3: There were no instruments in this category in both 2024 and 2023.

Valuation framework

Loans and advances to banks

Loans and advances to banks include inter-bank placements and items in the course of collection. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. 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.

Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Investment securities

The fair value for financial investments and amortised cost financial assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics. The fair value for these assets is based on estimations using market prices and earnings multiples of quoted securities with similar characteristics.

Deposits from banks and customers

The estimated fair value of deposits 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 not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

Off-balance sheet financial instruments

The estimated fair values of the off-balance sheet financial instruments are based on markets prices for similar facilities. When this information is not available, fair value is estimated using discounted cash flow analysis.

Financial instruments not measured at fair value- fair value hierarchy

The following table analyses financial instruments not measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

31-Dec-25	(Level 1) Frw '000	(Level 2) Frw '000	(Level 3) Frw '000	Total Frw '000	Carrying amount Frw '000
Assets					
Balances with the National Bank of Rwanda	-	13,586,712	-	13,586,712	13,586,712
Deposits and balances due from other banking institutions	-	547,381	-	547,381	547,381
Deposits due from financial institutions abroad	-	20,320,767	-	20,320,767	20,320,767
Government securities	-	63,630,293	-	63,630,293	63,630,293
Loans and advances to customers	-	78,968,414	-	78,968,414	78,968,414
Other assets	-	-	2,486,957	2,486,957	2,486,957
	-	**177,036,744**	**2,840,948**	**179,877,692**	**179,877,692**
Liabilities					
Customer deposits	-	134,368,421	-	134,368,421	134,368,421
Deposits due to financial institutions	-	223,377	-	223,377	223,377
Other liabilities	-		5,884,995	5,884,995	5,884,995
Other borrowings	-	26,131,201	-	26,131,201	26,131,201
	-	**160,679,505**	**5,859,288**	**166,538,793**	**166,538,793**

The following table analyses financial instruments not measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

31-Dec-24	(Level 1) Frw '000	(Level 2) Frw '000	(Level 3) Frw '000	Total Frw '000	Carrying amount Frw '000
Assets					
Balances with the National Bank of Rwanda	-	18,117,842	-	18,117,842	18,117,842
Deposits and balances due from other banking institutions	-	639,871	-	639,871	639,871
Deposits due from financial institutions abroad	-	9,965,892	-	9,965,892	9,965,892
Government securities	-	63,615,830	-	63,615,830	63,615,830
Loans and advances to customers	-	74,285,280	-	74,285,280	74,285,280
Other assets	-	-	2,932,542	2,932,542	2,932,542
	-	**166,624,715**	**2,932,542**	**169,557,257**	**169,557,257**
Liabilities					
Customer deposits	-				
Deposits due to financial institutions	-	121,526,487	-	121,526,487	121,526,487
Other liabilities	-	120,625	-	120,625	120,625
Other borrowings	-		2,074,002	2,074,002	2,074,002
	-	**28,826,794**	**-**	**28,826,794**	**28,826,794**

4 (a)	**Interest income**	2025 Frw'000	2024 Frw'000
	Interest on loans and advances	11,180,323	9,936,047
	Loan commitment fees	1,674,572	1,431,098
	Interest income on government securities	7,763,486	8,263,024
	Interest on savings	34,668	59
	Interest on call money	180,304	21
	Grant interest income	1,470	1,470
	Total interest income	**20,834,823**	**19,631,719**

5	**Interest expense**	2025 Frw'000	2024 Frw'000
a)	**Interest expenses on interbank liabilities**		
	Interest on short borrowings	617,125	1,524,872
	Interest on long borrowings	541,460	299,677
		1,158,585	**1,824,549**
b)	**Interest expenses on customer deposits**		
	Interest on demand deposit	116,386	37,556
	Interest expense current deposits	2,041,048	545,814
	Interest on saving deposits	216,287	203,504
	Interest term & call deposits	2,676,483	4,122,239
		5,050,204	**4,909,113**
c)	**Interest on lease liabilities**	**315,173**	**217,255**
	Total interest expense	**6,523,962**	**6,950,917**

6	Fees and commission income	2025 Frw'000	2024 Frw'000
	Fees & commissions on operations		
	Ledger fees	353,241	279,109
	Fees on transfers (domestic and international)	638,144	580,416
	Fees on money transfer (WU, MoneyGram)	13,087	6,477
	Fees from Bancassurance	155,594	103,467
	Other fees & commissions on operations	83,741	92,571
		1,243,807	**1,062,040**
	Income from off-balance sheet operations		
	Letter of Credit (LCs)	46,451	18,380
	Guarantees	121,344	141,818
		167,795	**160,198**
	Other banking income		
	Fee on cheque book	54,164	53,928
	Commission on mobile	61,247	83,977
	Commission on ATM	62,203	58,835
	Commission on internet banking	45,717	33,517
	Other income	39,395	37,781
		262,726	**268,038**
	Total commission income	**1,674,328**	**1,490,276**

7	Fees and commission expense	2025 Frw'000	2024 Frw'000
	Fees & commissions expense on operations		
	Transfer charges	(4,516)	(4,415)
	Bank charges	(83,357)	(130,637)
	Dealing charges	(49,048)	(40,804)
		(136,921)	**(175,856)**
	Other banking expenses		
	Electronic banking	(307,034)	(229,350)
	Internet banking	(7,713)	(7,866)
	Mobile banking	(22,333)	(18,949)
	Other charges	(32,255)	(35,541)
		(369,335)	**(291,706)**
	Total fee and commission expense	**(506,256)**	**(467,562)**

8	Other operating income/(expense)	2025 Frw'000	2024 Frw'000
	Expense from dealing of securities available for sale	(7,094)	(30,263)
	Gain on disposal of fixed assets	3,113	1,696
	Other expenses	152,372	140,128
	Net other operating income	**148,391**	**111,561**

9 a) Trading income	2025 Frw'000	2024 Frw'000
Net trading income	1,741,254	1,408,678
The Bank recognizes income or loss arising from foreign exchange transactions involving the buying and selling of foreign-denominated currencies as trading income/(loss). This is reflected in the financial statements as net trading income or loss.		
b) Net foreign exchange gain/(loss)		
Net foreign exchange gain/(loss)	84,516	23,734
Net foreign exchange loss relates to losses arising from the conversion of its foreign-denominated balances into its functional currency at the balance sheet date.		

10 Employee benefits	2025 Frw'000	2024 Frw'000
Salaries and wages	3,407,667	3,202,854
RSSB contributions	310,969	151,759
Medical expenses	257,057	201,406
Training	41,202	42,557
Staff life insurance	98,379	94,694
Staff leave provision	55,716	67,180
Staff expenses and ERF	64,604	83,085
Other staff costs	564,907	263,123
	4,800,501	**4,106,658**

11 a) Operating expenses	2025 Frw'000	2024 Frw'000
Right-of-use assets depreciation (note 29 (a))	384,831	257,867
IT costs	1,020,308	792,003
Security costs	184,137	178,087
Vehicles insurance	101,142	73,687
Communication fees	52,532	52,116
Board meeting fees	270,042	270,042
Travelling costs	308,727	260,189
Office supplies	75,832	106,166
Marketing expenses	271,723	233,211
Legal fees	36,103	84,274
Membership contributions	112,229	90,989
Trading license expense	10,084	5,306
Consultancy cost	106,020	56,987
BOA Group support fees	453,080	391,313
Audit fees	49,887	36,817
Group shared services	665,728	-
Deposit Guarantee Fund (DGF) contribution	76,711	82,391
Building Maintenance	213,493	143,164
Global insurance cost	78,538	64,810
Credit reporting	38,081	43,518
Other operating expenses	145,667	61,478
	4,654,895	**3,284,415**
The Deposit Guarantee Fund contribution represents amounts paid by the Bank to the Central Bank. The Fund's purpose is to protect depositors against the loss of their insured deposits in the event of the failure of a bank or microfinance institution..		

b) Allowance for expected credit losses		
Impairment charges on loans to customers	3,716,962	4,186,755
Write-back of provisions on loans to customers	(2,402,897)	(2,262,496)
Write back on impairment on government securities	(25,458)	(189,898)
Provision on other financial instruments	29,803	105,177
Provision on off balance sheet	217,383	-
Write on off balance sheet	(71,691)	-
	1,464,102	**1,839,538**
Recoveries on amounts written off	(1,103,466)	(868,357)
	360,636	**971,181**

12 Income taxes

		2025 Frw'000	2024 Frw'000
a)	Current income tax charge	(2,072,642)	(2,250,543)
	Deferred income tax credit	242,225	308,795
	Total income tax charge	**(1,830,417)**	**(1,941,748)**
	Reconciliation of effective tax rate		
	Profit before income tax	6,682,620	6,186,454
	Tax calculated at the statutory income tax rate of 28.0% (2024: 28%)	1,871,134	1,732,207
	Tax effects of:		
	Expenses not deductible for tax purposes	200,069	482,491
	Expenses deductible for tax purposes		
	Prior year under provision	1,439	1,164
	Deferred income tax charge	(242,225)	(308,795)
	Adjustment to deferred tax due to change in tax rate	-	34,681
	Income tax expense	**(1,830,417)**	**1,941,748**

b) Deferred income tax asset

	Opening balance Frw'000	Rate change Frw'000	PY under provision Frw'000	Current year credit Frw'000	Closing balance Frw'000
Year ended 31 December 2025					
Property and equipment	(99,326)	-	1,439	17,049	(80,838)
Other temporary differences	(936,420)	-	-	(260,714)	(1,197,134)
	(1,035,746)	**-**	**1,439**	**(243,665)**	**(1,277,972)**
Year ended 31 December 2024					
Property and equipment	(78,067)	3,724	(2,081)	(22,902)	**(99,326)**
Other temporary differences	(648,884)	30,957	3,245	(321,738)	**(936,420)**
	(726,951)	**34,681**	**1,164**	**(344,640)**	**(1,035,746)**

c) Current income tax liabilities

	2025 Frw'000	2024 Frw'000
Opening current income tax payable	1,245,889	72,858
Current income tax charge	2,072,642	2,250,543
Payments made during the year	(2,843,246)	(1,077,512)
Closing current income tax payable	**475,285**	**1,245,889**

13 Cash and balances with National Bank of Rwanda		
Cash in hand	4,495,054	6,065,451
Balances with National Bank of Rwanda	13,663,047	18,219,635
Expected credit losses	(76,335)	(101,793)
	18,081,766	**24,183,293**
The reserve requirement for 2024 and 2025 is as follows		
Reserve requirement	6,725,665	6,082,248
Expected Credit losses movement		
At 1 January	(101,793)	(33,860)
Addition/write back on expected credit losses	25,458	(67,933)
Balance 31 December	(76,335)	(101,793)
Cash in hand		
Cash in foreign currencies	1,530,915	3,163,798
Cash in local currency	2,964,139	2,901,653
	4,495,054	**6,065,451**

14 Deposits and balances due from other banking institutions	2025 Frw'000	2024 Frw'000
Current accounts with other banks	548,017	643,464
Expected credit losses	(636)	(3,593)
	547,381	**639,871**
Expected Credit losses movement		
At 1 January	(3,593)	-
Addition/write back on expected credit losses	2,957	(3,593)
Balance 31 December	636	(3,593)

The contractual interest rate approximates the effective interest rate. There are no significant fees and other administrative costs in relation to origination of the placements. Consequently, interest has been computed based on the contractual interest rate which is representative of the effective interest rate. The weighted average effective interest rate on government security was 2% and 2.1% for 2025 and 2024 respectively.

15 Government securities	2025 Frw'000	2024 Frw'000
At 1 January	63,973,233	69,693,540
T-Bond matured	-	(632,600)
Sold T-Bond	-	(4,953,300)
Fee amortisation	(6,806)	(25,853)
Increase/decrease in accrued interest	21,269	(108,554)
Gross amount	**63,987,696**	**63,973,233**
T-Bond ECL	**(357,403)**	**(357,403)**
Carrying amount	**63,630,293**	63,615,830

The contractual interest rate approximates the effective interest rate. There are no significant fees and other administrative costs in relation to origination of the government securities. Consequently, interest has been computed based on the contractual interest rate which is representative of the effective interest rate. The weighted average effective interest rate on government security was 12.6% and 12.6% for 2025 and 2024 respectively.

16 Other assets	2025 Frw'000	2024 Frw'000
Prepayments	297,943	219,945
Stationery	25,894	42,052
Staff prepaid benefit	584,788	624,551
Withholding tax receivable	599,729	888,308
Clearing /transitory accounts	39,510	5,439
Western union	570,505	94,349
Accrued revenue	30,396	24,964
Digital transactions	556,335	402,222
Transfers in transit	78,814	848,484
Other receivables	986	2,173
	2,784,900	**3,152,487**

The clearing account consists of items in transit to/from other banks through the Central Bank clearing system. These items generally clear by end of the next business day.

17 Loans and advances to customers	2025 Frw'000	2024 Frw'000
Term loans	80,859,497	63,085,603
Overdrafts	3,621,406	15,919,418
Gross loans and advances	**84,480,903**	**79,005,021**
Less: modification gain/(loss) and staff discount	(584,788)	(624,551)
Less: provisions for impairment of loans and advances	(4,927,701)	(4,095,190)
	(5,512,489)	**(4,719,741)**
	78,968,414	**74,285,280**
Movements in impairment loss allowance		
At 1 January	4,095,190	7,275,590
Additional provision for the year	3,716,962	2,842,226
Recoveries on provisions	(2,402,897)	(2,262,496)
Loans written off during the year as uncollectible	(455,601)	(3,736,673)
Overdrawn written off account	(25,953)	(23,457)
At 31 December	**4,927,701**	**4,095,190**

The weighted average effective interest rate on loans and advances as at 31 December 2025 was 15.2% (2024 – 15.2%)

Analysis of loan advances to customers by category:

	Gross carrying amount Frw'000	ECL allowance Frw'000	Modification gain/ (loss) and staff discount Frw'000	Carrying amount Frw'000
		31-Dec-25		
Overdraft	3,621,406	(250,066)	-	3,371,340
Treasury loan	21,939,837	(1,180,703)	(7,621)	20,751,513
Agriculture loans	16,645,636	(633,960)	-	16,011,676
Equipment loan	7,720,327	(1,053,098)	(7,679)	6,659,550
Consumer loan	10,681,601	(848,076)	(56,745)	9,776,780
Mortgage loan	23,872,096	(961,798)	(512,743)	22,397,555
	84,480,903	**(4,927,701)**	**(584,788)**	**78,968,414**
		31-Dec-24		
Overdraft	15,919,418	(104,103)	-	15,815,315
Treasury loan	21,883,947	(1,293,392)	(207,210)	20,383,345
Agriculture loans	8,258,020	(477,654)	(73,080)	7,707,286
Equipment loan	6,881,450	(318,957)	(57,835)	6,504,658
Consumer loan	925,739	(48,445)	(26,438)	850,856
Mortgage loan	25,136,447	(1,852,639)	(259,988)	23,023,820
	79,005,021	**(4,095,190)**	**(624,551)**	**74,285,280**

18. Property and equipment

Year ended 31 December 2025	Computers Frw'000	Motor vehicles Frw'000	Refurbishment Frw'000	Office equipment Frw'000	Other equipment Frw'000	Total Frw'000
Cost						
At 1 January 2025	1,693,577	572,122	1,773,755	423,284	276,304	4,739,042
Additions	423,923	-	175,683	32,849	14,623	647,078
Additions WIP	272,502	-	717,968	96,286	-	1,086,756
Disposals/transfers	(364,967)	-	(516,464)	(42,065)	(272)	(923,768)
At 31 December 2025	**2,025,035**	**572,122**	**2,150,942**	**510,354**	**290,655**	**5,549,108**
Depreciation						
At 1 January 2025	1,117,682	312,316	1,280,676	289,716	158,968	3,159,358
Charge for the year	190,884	103,988	189,377	52,242	43,852	580,343
Disposals	(297,773L)	-	(528,290)	(27,561)	(272)	(853,896)
At 31 December 2025	**1,010,793**	**416,304**	**941,763**	**314,397**	**202,548**	**2,885,805**
Net carrying amount	**1,014,242**	**155,818**	**1,209,179**	**195,957**	**88,107**	**2,663,303**

As at 31 December 2025, none of the property and equipment of the Bank had been pledged as collateral (2024: nil

Year ended 31 December 2024	Computers Frw'000	Motor vehicles Frw'000	Office fittings Frw'000	Office equipment Frw'000	Other equipment Frw'000	Total Frw'000
Cost						
At 1 January 2024	1,248,433	437,319	1,723,138	359,836	204,870	3,973,596
Additions	117,580	134,803	50,617	63,448	71,434	437,882
Additions WIP	340,428					340,428
Disposals	(12,864)	-	-	-	-	(12,864)
At 31 Dec 2024	**1,693,577**	**572,122**	**1,773,755**	**423,284**	**276,304**	**4,739,042**
Depreciation						
At 1 January 2024	1,026,473	219,041	1,106,253	242,672	128,402	2,722,841
Charge for the year	103,291	93,275	174,423	47,044	30,566	448,599
Disposals	(12,082)	-	-		-	(12,082)
At 31 Dec 2024	**1,117,682**	**312,316**	**1,280,676**	**289,716**	**158,968**	**3,159,358**
Net carrying amount	**575,895**	**259,806**	**493,079**	**133,568**	**117,336**	**1,579,684**

19 Intangible asset-purchased software

	Purchased software Frw'000	Software-WIP Frw'000	Total Frw'000
Year ended 31 December 2025			
Cost			
Balance at 1 January	2,793,233	110,823	2,904,056
Additions	856,249	1,245,607	2,101,856
Transfers	346,583	(347,217)	(634)
Balance at 31 December	**3,996,065**	**1,009,213**	**5,005,278**
Amortization			
Balance at 1 January	1,569,978	-	1,569,978
Adjustment	(1,771)	-	(1,771)
Charge for the year	374,099	-	374,099
Balance at 31 December	**1,942,306**	**-**	**1,942,306**
Balance at 31 December 2025	**2,053,759**	**1,009,213**	**3,062,972**

	Purchased software Frw'000	Software-WIP Frw'000	Total Frw'000
Year ended 31 December 2024			
Cost			
Balance at 1 January	2,407,706	136,983	2,544,689
Additions	299,722	59,645	359,367
Transfers	85,805	(85,805)	-
Balance at 31 December	**2,793,233**	**110,823**	**2,904,056**
Amortization			
Balance at 1 January	1,319,796	-	1,319,796
Adjustment	522		522
Charge for the year	249,660	-	249,660
Balance at 31 December	**1,569,978**	**-**	**1,569,978**
Balance at 31 December 2024	**1,223,255**	**110,823**	**1,334,078**

20 Balance due to National Bank of Rwanda	2025 Frw'000	2024 Frw'000
Balance at 1 January	**47,597**	52,078
Interest payable	13,408	-
Repayments	(17,513)	(4,481)
Balance at 31 December	**43,492**	**47,597**

The amount relates to the Economic recovery fund from the National Bank of Rwanda for onward lending. The facility is unsecured and at Nil interest rate.

21 Customer deposits	2025 Frw'000	2024 Frw'000
Demand deposits	114,984,079	75,619,941
Saving Deposits	3,998,637	3,489,791
Fixed term deposits	14,770,806	41,524,823
Collateral deposits	614,899	891,932
	134,368,421	**121,526,487**

The contractual interest rate approximates the effective interest rate. There are no significant fees and other administrative costs in relation to origination of the deposits. Consequently, interest has been computed based on the contractual interest rate which is representative of the effective interest rate.

The weighted average effective interest rates on interest bearing customers' deposits at 31 December 2025 was 3.9% (2024– 3.9%).

22 Deposits due to financial institutions	2025 Frw'000	2024 Frw'000
Bank of Africa Uganda	73,733	69,577
Bank of Africa DRC	77,363	631
Bank of Africa Kenya	28,452	2,492
Bank of Africa Tanzania	337	328
	179,885	**73,028**

23 Borrowings	2025 Frw'000	2024 Frw'000
Balance at 1 January	28,826,794	26,199,332
Accrued interest during the year	25,259	58,191
Additional receipts	724,087,304	1,505,137,826
Payments	(726,808,156)	(1,502,568,555)
Balance at 31 December	**26,131,201**	**28,826,794**

All borrowings contain both short- and long-term period.

Terms and repayment schedule

The terms and conditions of outstanding borrowings are as follows:

Balances at 31 December 2025

Borrowings with a tenure within 3 months						
Bank	**Face value Frw'000'**	**Value date**	**Maturity date**	**Interest rate**	**Accrued payable interest**	**Carrying amount Frw'000'**
ACCESS BANK	3,000,000	31-Dec-25	5-Jan-26	6.90%	567	3,000,567
EQUITY BANK	1,700,000	31-Dec-25	9-Jan-26	7.00%	326	1,700,326
BNR	11,500,000	31-Dec-25	5-Jan-26	7.75%	2,448	11,502,449
	16,200,000				**3,341**	**16,203,342**
Borrowings with a tenure more than 3 months						
Bank	**Amount Frw'000'**	**Value date**	**Maturity date**	**Interest rate**	**Accrued pay. int**	**Total Frw'000'**
BRD (CDAT)	904,050	31-Dec-25	31-Mar-26	4.50%	-	904,050
BRD (ERF2)	1,381,800	31-Dec-25	31-Mar-26	3.50%	-	1,381,800
BRD (RHFP)	2,449,776	31-Dec-25	31-Mar-26	6.00%	-	2,449,776
BRD (EGF)	2,000,000	31-Oct-25	31-Jan-26	4.00%	13,589	2,013,589
BRD (EGF)	782,147	31-Oct-25	31-Jan-26	4.00%	5,314	787,461
BRD (RHFP)	1,662,739	1-Dec-25	28-Feb-26	6.00%	7,941	1,670,680
BRD (ERF2)	429,690	1-Dec-25	28-Feb-26	3.50%	1,277	430,967
BRD (RHFP)	288,068	1-Dec-25	28-Feb-26	6.00%	1,468	**289,536**
	9,898,270				**29,589**	**9,927,859**
Total borrowings	**26,098,270**				**33,462**	**26,131,200**

As at 31 December 2025, the Bank's borrowings were secured against treasury bonds.

31 December 2024

Borrowings with a tenure within 3 months						
Bank	**Face value Frw'000**	**Value date**	**Maturity date**	**Interest rate**	**Accrued pay. Int Frw'000**	**Carrying amount Frw'000**
ACCESS BANK	2,000,000	27-Dec-24	3-Jan-25	6.70%	1,836	2,001,836
NCBA	2,500,000	27-Dec-24	3-Jan-25	6.70%	2,295	2,502,295
BK	10,000,000	31-Dec-24	3-Jan-25	7.00%	1,574	10,001,574
ACCESS BANK	1,000,000	31-Dec-24	7-Jan-25	6.70%	184	1,000,184
	15,500,000				**5,889**	**15,505,889**
Borrowings with a tenure more than 3 months						
Bank	**Amount Frw'000**	**Value date**	**Maturity date**	**Interest rate**	**Accrued pay. Int**	**Total Frw'000**
BRD (EGF)	972,051	31-Oct-24	31-Jan-25	4.00%	6,605	978,656
BRD	5,000,000	31-Oct-24	31-Jan-25	3.50%	29,726	5,029,726
BRD (EGF)	2,000,000	31-Oct-24	31-Jan-25	4.00%	13,589	2,013,589
BRD	296,552	30-Nov-24	28-Feb-25	6.00%	1,560	298,112
BRD	5,000,000	31-Dec-24	31-Mar-25	6.00%	822	5,000,822
	13,268,603				**52,302**	**13,320,905**
Total Borrowings	**28,768,603**				**58,191**	**28,826,794**

As at 31 December 2025 and 31 December 2024, the security held on the Bank's borrowings was the

investment in treasury bonds.

24. Other liabilities	2025 Frw'000	2024 Frw'000
Transitory accounts	324	30,313
Social security and taxes	349,872	239,365
Amount to employees	129,060	129,560
Staff leave provision	131,655	93,477
Deferred loan commission	66,724	52,647
Clearing account	1,328,892	397,824
Transfers in transit	3,878,468	1,130,816
	5,884,995	**2,074,002**
Movement in provision for staff leave		
At start of the period	93,477	96,352
Additional provision	38,178	4,207
Release during the period	-	(7,082)
At end of the period	**131,655**	**93,477**

25. Dividend payable	2025 Frw'000	2024 Frw'000
At start of the period	-	-
Dividend payable	3,000,000	-
At end of the period	3,000,000	-

26. Amounts due from financial institution abroad	2025 Frw'000	2024 Frw'000
Bank of Africa-Uganda	1,453,181	1,576,608
Citibank - New York	5,578,939	4,519,041
Bank of Africa –DRC	155,185	148,027
Bank of Africa Kenya	84,688	177,803
Bank of Africa –France	3,896,122	3,004,062
Bank of Africa-Tanzania	46,908	451,473
AKTIF Bank	135,752	126,996
BGFI	22,308	-
CROWN AGENT BANK	8,263,281	-
Bank of Africa Benin	755,902	-
Less impairment loss allowance	(71,499)	(38,118)
	20,320,767	**9,965,892**

27. Share capital and share premium	Number of shares issued & fully paid (thousands)	Share capital Frw'000	Share premium Frw'000
At 1 January 2024, 31 December 2024 and 31 December 2025	2,000,000	20,000,000	871,740

The total authorised number of ordinary shares is 2,000,000 with a par value of Frw 10,000 per share. All issued shares are fully paid off. 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 annual general meetings of the Bank.

All ordinary shares rank equally with regard to the Bank's residual assets. The share premium arose from the issuance of shares at a premium on acquisition of the bank by Bank of Africa Group SA in 2015.

The Bank's shareholders are as follows:

Shareholder	Shares	Nominal value Frw	Total Frw'000	%	Country of incorporation
Bank of Africa Group SA	1,900,000	10,000	19,000,000	95%	Senegal
Radiant Insurance	100,000	10,000	1,000,000	5%	Rwanda
	2,000,000	**20,000**	**20,000,000**	**100%**	

28. Related party transactions

Bank of Africa Rwanda Plc is a subsidiary of BOA Group S.A owned by BANK OF AFRICA BMCE GROUP whose ownership is 95%.

All the transactions with the related parties are entered into in the normal course of business. No impairment losses have been recorded against balances outstanding during the year and no specific allowance has been made for impairment losses on balances at the year-end.

Key management includes directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

a) Key management compensation

	2025 Frw'000	2024 Frw'000
Salaries and wages	1,002,699	612,303
Other benefits	383,259	293,537
Contribution for staff Insurance	19,156	18,788
Contribution to Rwanda Social Security Board	37,049	35,720
	1,442,163	**960,348**

b) Loan to Senior Managers

	2025 Frw'000	2024 Frw'000
Senior management loan	543,603	503,641
Expected Credit loss	(154,467)	(8,119)
Carrying amount	**389,136**	**495,522**

C) Balance with BOA subsidiaries

	2025 Frw'000	2024 Frw'000
Bank of Africa-Uganda	1,453,181	1,576,608
Bank of Africa –DRC	155,185	148,027
Bank of Africa Kenya	84,688	177,803
Bank of Africa –France	3,896,122	3,004,062
Bank of Africa-Tanzania	46,908	451,473
	5,636,084	**5,357,973**
Expected credit loss	(14,152)	(13,152)
	5,621,932	**5,344,821**

d) Transactions with BOA Group

BOA Group IT fees (license for the core banking software)	453,080	391,313
	453,080	**391,313**

The IT fees are recharged to the subsidiaries based on number of users.

29	Analysis of cash and cash equivalents	31-Dec-25 Frw'000	31-Dec-24 Frw'000
	Cash in hand	4,495,054	6,065,451
	Balances with National Bank of Rwanda (note 13)	13,663,047	18,219,635
	Current accounts with other banks (note 14)	547,381	643,464
	Short term placement	4,365,401	-
	Deposits with other banks (note 25)	20,392,266	10,004,010
		43,463,149	**34,932,560**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand, current accounts with National Bank of Rwanda and amounts due from banks and government securities with an original maturity of three months or less (T-Bonds coupons).

Banks are required to maintain a prescribed minimum cash balances with the National Bank of Rwanda that is not available to finance day to day activities and is excluded from the computation. The amount is determined as 4% of the average outstanding customer deposits over a cash reserve cycle period of one month.

30. Leases

(a) Right of use of assets

	2025 Frw'000	2024 Frw'000
Cost		
At 1 January	3,362,813	3,063,313
Re-measurement	(296,721)	299,500
New head office	**3,664,766**	**-**
As at 31 December	**6,730,858**	**3,362,813**
Depreciation		
At 1 January	2,033,671	1,784,739
Re-measurement	-	(8,935)
Charge for the year	384,831	257,867
As at 31 December	**2,418,502**	**2,033,671**
Balance at 31 December	**4,312,356**	**1,329,142**

Right of use assets relates to leased office and branch premises. Some leases of the office premises contain extension options exercisable by the Bank.

(b) Lease liabilities

	2025 Frw'000	2024 Frw'000
At 1 January	1,967,076	1,871,777
Addition	3,664,766	-
Derecognition	(486,400)	-
Finance cost for the year	315,173	217,255
Remeasurement	21,313	530,675
Rent payment	-	(76,110)
Principal and interest payment	(709,719)	(576,521)
At 31 December	**4,772,209**	**1,967,076**

31 Reconciliation of movement from equity and liabilities to cashflows arising from financing activities

	Borrowings Frw '000	Due to central bank Frw '000	Share capital Frw '000	Lease payments Frw '000	Total
Balances at 1 January 2025	28,826,794	47,597	20,000,000	-	48,874,391
Changes in financing activities					
Capital increase	-	-	-	-	-
Borrowings	724,087,304	13,408	-	-	724,100,712
Lease repayment	-	-	-	(709,719)	(709,719)
Repayments of borrowed funds	(726,808,156)	(17,513)	-	-	(726,825,669)
Cash flows from financing activities	**26,131,201**	**43,492**	**20,000,000**	**(709,719)**	**45,439,715**
Other changes					
Accrued interest/ interest payable	32,931	-	-	-	32,931
Balances at 31 December 2025	**26,392,771**	**49,689**	**20,000,000**	**(1,286,240)**	**45,156,220**
Balances at 1 January 2024	**26,344,505**	**49,689**	**20,000,000**	**-**	**46,394,194**
Changes in financing activities					
Capital increase	-	-	-	-	-
Borrowings	1,505,137,826	-	-	-	1,505,137,826
Lease repayment	-	-	-	(576,521)	(576,521)
Repayments of borrowed funds	(1,502,510,348)	-	-	-	(1,502,510,348)
Cash flows from financing activities	**28,971,983**	**49,689**	**20,000,000**	**(576,521)**	**48,445,151**
Other changes					
Accrued interest/ interest payable	58,191	-	-	-	58,191
Balances at 31 December 2024	**29,030,174**	**49,689**	**20,000,000**	**(576,521)**	**48,503,342**

32. Classification of financial assets and financial liabilities

The following table below provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

At 31 December 2025	Mandatorily at FVTPL Frw '000	Designated at FVTPL Frw '000	FVOCI-debt instruments Frw '000	FVOCI-equity instruments Frw '000	Amortised cost Frw '000	Total carrying amount Frw '000
Assets						
Bank balances with National Bank of Rwanda	-	-	-	-	13,586,712	13,586,712
Deposits and balances due from banking institutions	-	-	-	-	547,381	547,381
Deposits due from financial institutions abroad	-	-	-	-	20,320,767	20,320,767
Loans and advances to customers	-	-	-	-	78,968,414	78,968,414
Government securities	-	-	-	-	63,630,293	63,630,293
Other assets	-	-	-	-	2,486,957	2,486,957
	-	-	-	-	**179,540,524**	**179,540,524**
Liabilities						
Customer deposits	-	-	-	-	134,368,421	**134,368,421**
Deposits and balances due to banking institutions	-	-	-	-	223,377	**223,377**
Borrowings	-	-	-	-	26,131,201	**26,131,201**
Lease liabilities	-	-	-	-	4,772,209	**4,772,209**
Other liabilities	-	-	-	-	5,884,995	**5,884,995**
	-	-	-	-	**171,380,203**	**171,380,203**
At 31 December 2024						
Assets						
Bank balances with National Bank of Rwanda	-	-	-	-	18,219,635	18,219,635
Deposits and balances due from banking institutions	-	-	-	-	643,464	643,464
Deposits due from financial institutions abroad	-	-	-	-	9,949,659	9,949,659
Loans and advances to customers	-	-	-	-	74,285,280	74,285,280
Government securities	-	-	-	-	63,490,782	63,490,782
Other assets	-	-	-	-	3,156,965	3,156,965
	-	-	-	-	**169,745,785**	**169,745,785**
Liabilities						
Customer deposits	-	-	-	-	121,526,487	**121,526,487**
Deposits and balances due to banking institutions	-	-	-	-	73,028	**73,028**
Borrowings	-	-	-	-	28,826,794	**28,826,794**
Lease liabilities	-	-	-	-	1,539,032	**1,539,032**
Other liabilities	-	-	-	-	1,836,132	**1,836,132**
	-	-	-	-	**153,801,473**	**153,801,473**

33. Contingent liabilities, Contingent assets and commitments

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

	31-Dec-25 Frw '000	31-Dec-24 Frw'000
Guarantees and commitments to customers	7,950,238	11,765,906
Letter of credit	1,216,488	722,844
Guarantees received	201,398,343	184,237,917
	210,565,069	**196,726,667**

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.

Litigations

The bank is involved in a number of litigations in the normal course of business. The directors believe reported provisions are adequate to cover any expected future cash outflows.

Item	31-Dec-25 Amount/ Ratio/ Number	31-Dec-24 Amount/ Ratio/ Number
I. Capital Strength		
1. Core capital (Tier 1)	19,369,521	21,903,999
2. Supplementary capital (Tier 2)	1,561,669	1,152,606
3. Total capital	20,931,190	23,056,605
4. Total risk weighted assets	124,926,573	92,208,446
5. Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	15.50%	23.70%
6. Tier 2 ratio	1.%	1.25%
7. Total capital/total risk weighted assets ratio	16. 75%	25.01%
8. Leverage ratio	10.3%	11.35%
II. Credit Risk		
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;	157,277,922	155,109,601
2. Average gross credit exposures, broken down by major types of credit exposure:		
a. Loans, commitments and other non-derivative off-balance sheet exposures;	93,647,629	91,493,771
b. Debt securities;	63,630,293	63,615,830
c. OTC derivatives		-
	157,277,923	**149,267,337**

3. Regional or geographic distribution/ types of credit exposure		
Geographic distribution	**31-Dec-25 Amount/ Ratio/ Number Total exposure (Frw' 000')**	**31-Dec-24 Amount/ Ratio/ Number Total exposure (Frw' 000')**
Kigali City	143,487,180	141,508,985
Muhanga	2,052,520	2,024,223
Huye	2,802,797	2,764,156
Rusizi	2,666,768	2,630,002
Rubavu	2,374,028	2,341,298
Musanze	2,532,299	2,497,387
Kayonza	1,362,332	1,343,550
	157,277,924	**155,109,601**

4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:		
Sector distribution	**31-Dec-25 Amount/ Ratio/ Number**	**31-Dec-24 Amount/ Ratio/ Number**
	Total exposure (Frw' 000')	**Total exposure (Frw' 000')**
a) Government	63,630,293	83,066,418
b) Financial;	-	-
c) Manufacturing;	334,909	257,646
d) Infrastructure and construction;	2,016,108	1,550,993
e) Services and commerce.	40,218,590	30,940,188
f) Others	51,078,022	39,294,356
Total	**157,277,922**	**155,109,601**

5. Off- balance sheet items	9,166,726	12,488,749

6. Non-performing loans indicators		
a) Non-performing loans (NPL)	918,311	1,373,908
b) NPL ratio	1.09%	1.74%

7. Related parties		
a) Loans to directors, shareholders and subsidiaries	-	-
b) Loan to employees	2,280,491	2,274,399

8. Restructured loans as at 31 December		
a. No. of borrowers	43	59
b. Amount outstanding (Frw '000)	2,068,221	2,473,311
c. Provision thereon (Frw '000) (regulatory):	24,704	59,027
d. Provision IFRS P (Frw '000)	250,090	214,688
e. Restructured loans as % of gross loans	2.45%	3.12%

III. Liquidity Risk		
a) Liquidity Coverage Ratio (LCR)	263.16%	228.52%
b) Net Stable Funding Ratio (NSFR)	155.05%	182.40%

IV. Operational Risk			
Number and types of frauds and their corresponding amount			
Type	Number	**Amount (Frw '000')**	**Amount (Frw '000')**
Thefts	-	-	

V. Market Risk		
1. Interest rate risk		
2. Equity position risk	-	
3. Foreign exchange risk	184,607	12,926

VI. Country Risk		
1. Credit exposures abroad		-
2. Other assets held abroad	20,226,973	9,949,659
3. Liabilities to abroad	179,884	73,028

VII. Management and board composition		
1. Number of Board members	5	6
2. Number of independent Directors	3	4
3. Number of non-independent Directors	2	2
4. Number of female Directors	1	1
5. Number of male Directors	4	5
6. Number of Senior Managers	12	11
7. Number of female Senior Managers	3	3
8. Number of male Senior Managers	9	8

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