bpr BANK

ANNUAL REPORT

2024

TRANSFORMING TODAY TOGETHER

Table of Contents

About this Report

Scope and purpose

The BPR Bank Rwanda Plc Integrated Report and Financial Statements is our principal reporting disclosure for the Bank's activities and performance in 2024.

The goal of this report is to provide our stakeholders with an integrated view of how our company operates. It provides our stakeholders with a concise view of BPR's business model, material matters, external environment, strategy, governance, sustainability approach to risk, financial outputs, and outcomes for all stakeholders.

It also provides a balanced assessment of how we leverage the six capitals at our disposal to execute our strategy to create and preserve value while minimising value erosion over the short, medium, and long term which we define as less than one year, between one year & three years and beyond three years respectively.

Reporting period

It covers the period from 1 January 2024 to 31 December 2024. Notable material events after this period and up to the publication of this report on 1 May 2025 have also been included.

Forward-looking statements

This report contains certain forward-looking statements about the Bank's financial position, results, strategy, operations, and businesses. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that may occur in the future.

There are various factors beyond Bank's control that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Consequently, forward-looking statements are not guarantees of future financial or operating results.

Reporting frameworks

This report was developed in accordance with international best practices, reporting guidelines and prudent accounting standards. It complies with Law no 007/2021 governing companies in Rwanda. This report follows the guidelines of the International Integrated Reporting Council (IIRC) on the presentation of nonfinancial information.

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRC Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and Law no 007/2021 of 05/02/2021 governing companies. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and have been prepared on the historical cost basis except where it is indicated otherwise.

The Bank continuously strives to incorporate additional frameworks and metrics in our reporting to improve our transparency and

meet the diverse information needs of our stakeholders. Please provide any feedback or direct your questions to contactus@bpr.rw for any additional information on matters contained within this report.

Process and assurance

Our Integrated Report resulted from a bank-wide process with input from various teams across all business lines.

This process is under the oversight of the Board and the Executive Committee.

A cross-functional team composed of different subject matter experts under the leadership of the Chief Finance Officer curated the content contained in this report.

Our Board ensures the integrity of the integrated report through our integrated reporting process. A series of rigorous internal reviews support the accuracy of the disclosures contained herein.

This is further corroborated by the external assurance provided by our auditors through their opinion on our financial statements as expressed within this report.

The annual financial statements were audited by PWC Rwanda limited

About Us

Founded in 1975, BPR Bank Rwanda Plc (a member of KCB Group Plc) is a commercial bank regulated by the National Bank of Rwanda operating with a Network of 73 branches, over 59 ATMs, 2242 banking agents and merchants, spread across the width and breadth of the country to take our products and services closer to the marketplace. We pride ourselves in being an innovative, warm and customer friendly bank offering a full range of financial solutions. We are Simple, Inspiring and Friendly, and practice these values as we work towards simplifying our clients' world to enable their progress.

As the 3rd largest bank in Rwanda, with an asset size of RWF 972 Billion, we are well positioned to offer convenient banking services to every individual and business in Rwanda at an affordable cost. We offer competitive Affluent, Retail, SME, Micro, Corporate, Custody, Mortgage products and Agent Banking (BPR Hafi) which has brought convenient banking services directly to our customers who are now able to access their banking services at any time at their convenience. The Bank provides best in class digital banking services that cater to transfers, payments, and mobile credit. Additionally, we offer international money transfer services such as Western Union, Money gram and RIA.

Our Purpose: **For People, For Better**

Our Values: Closer, Connected, Courageous

Our Banking channels: Branch banking, ATM banking, Internet banking, Mobile banking, Agent banking (BPR Hafi), Diaspora banking

Our Foundation: In Rwanda, the Foundation has undertaken various CSR activities from inception, such as supporting schools & hospitals, training youth entrepreneurs, providing livestock, electricity, medical insurance to communities and taking care of the environment and so much more.

The Foundation's primary project is IGIRE, a youth empowerment program, that has up-skilled over 800 youth and provided seed capital for over 40 businesses to-date. We aim to make a difference in the community where we operate in a sustainable manner.

Highlights as at 31 Dec 2024

449
Thousand customers

73
Branches

2242
agents and merchants.

BPR Bank Rwanda Plc, a member of KCB Group, is Rwanda's third-largest bank, offering accessible, innovative financial solutions through a wide network and digital platforms. Guided by the purpose "For People, For Better," BPR empowers communities through inclusive banking and impactful initiatives like the IGIRE youth program.

What Differentiates BPR BANK

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

Strong balance sheet

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

Total assets

972 Frw billion
#3 in Rwanda
(2023: Frw **852** billion)

Customer deposits

679 Frw Billon
#2 in Rwanda
(2023: Frw **629** billion)

Net loans and advances

621 Frw billion
#2 in Rwanda
(2023: Frw **573** billion)

Dominant and diversified business

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

449 Thousand Customers

73 Branches

59 ATMs

2242 Agents & Merchants

Leader in digital financial solutions

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

54.2%
Proportion of number of transactions conducted through non-branch channels (2023: 66%)

Superior shareholder returns

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

16.9%
Return on equity
(2023: 17.8%)

43 Frw billion
Profit before tax
(2023: Frw. 37.89 billion)

Leader in sustainability and governance

We have embedded ESG practices in our strategy.

We are committed to become Net Zero by 2050

231 Million
Financed projects on Environment

Leader in sustainability and governance

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

1,004
Staff (2023: 1,043)

48%
Proportion of female employees (2023: 48%)

Strong brand and customer experience

33

Net promoter score (2023: 46)
Renewed focus on customer obsession powered by our new brand purpose, **For People, For Better**

Customer-centered value propositions

Leverage Group capabilities for efficient scale

Digital leadership

Optimize Data & Analytics

WHAT WE WANT TO BE KNOWN FOR

Efficient service delivery, FX partner of choice, Go-to bank for corporates in trade, manufacturing, infrastructure & public sector

2026 ASPIRATIONS:
1.2 Tr Assets, 159 Bn revenue (22% market share) 35% NFI, 48% CIR, 28% ROAE

Deliver holistic value propositions for key segments

- Deliver comprehensive propositions to Corporate customers' value chain in key sectors
- Deliver targeted propositions for retail customers
- Offer leading propositions SME customer groups

Accelerate balanced growth

- Unlock value from FX
- Implement holistic sales effectiveness program

Improve efficiency and performance

- Optimize distribution efficiency (by rationalizing branches, optimizing retained branches and expanding agency network)
- Optimize end-to-end credit processes and overall risk management

Unlock value from full integration

- Establish cross-functional integration workforce to capture full value from integration
    - IT architecture & performance
    - Branding and communication
    - Processes and ops
    - People and organization

2026 ASPIRATIONS:
1.2 Tr Assets, 159 Bn revenue (22% market share) 35% NFI, 48% CIR, 28% ROAE

Modern and efficient distribution network, including digital channels

Our Business Model

Our wide Rwanda footprint, strong balance sheet and exceptional talent enables us to facilitate seamless service, intra-regional trade and investment flows for our stakeholders. To deliver on our strategic goals and maintain and grow our in the market, we have set for ourselves ambitious growth goals under our beyond banking strategy. Through this strategy, we seek to deliver exceptional customer experience across all our touchpoints and drive a digital future

We leverage our strengths and capabilities...

- Wide footprint.
- Diversified revenue streams.
- Leader in digital financial solutions
- Track record in delivering sustainable shareholder
- Leader in sustainability returns. and governance.
- Exceptional talent.
- Strong brand and customer experience.

to fulfil on our purpose

For People. For Better.

& bring our values to life

Closer
Connected
Courageous

by harnessing our Capitals...

Financial Capital

- Total shareholders' equity: Frw 175.5 billion.
- Total capital: Frw 171.5 billion.
- Borrowings: Frw 91.2 billion.
- Customer deposits: Frw 679 billion.

Manufactured Capital

- 73 branches.
- 2242 agents & merchants
- Robust digital banking channels.
- 99.99% core banking system uptime.

Intellectual Capital

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

Human Capital

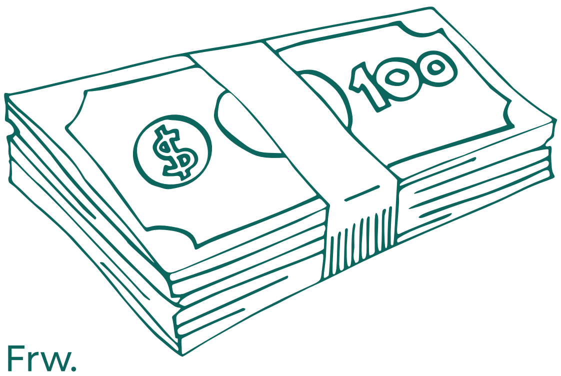
- Exceptional talent and skillset.
- Strong employee value proposition.
- 1,004 employees.
- 48.1% are women.
- 53.3% below 40 years of age.
- 83% full-time employees.

Social & Relationship Capital

- 449 Thousand Customers.
- Diverse pool of suppliers with focus on special interest groups comprising women, youth, and differently abled persons.
- Transformative partnerships.
- Impactful BPRFoundation programmes

Natural Capital

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



Frw.
81.9 billion in retained earnings.

to deliver on our strategy...

- Customer-centered value propositions.
- Leverage Group capabilities for efficient scale.
- Digital leadership.
- Optimize data and analytics.

and avail market leading solutions...

- A well-diversified business model that offers an extensive suite of tailor-made, market leading financial solutions to enable our customers to transact, save, and make payments.
- We extend secured and unsecured credit to our customers, based on their repayment ability and our risk appetite.
- We offer investment banking solutions and asset management services.
- We facilitate provision of protection against insurable risks.

Frw.
47.9 billion Loan growth.

that create sustainable value for all our stakeholders.

Value for customers

Market-leading customer value proposition.

- Frw 47.90 billion Loan growth.
- Frw 140 billion in loans to female led /owned businesses.
- 54.2% of transactions outside branch network.
- NPS score of 32.

Value for employees

Strong employee value proposition.

- Frw 21.8 billion in total employee benefits.
- 64 Promotions in 2023
- 80% Group Health Index Score.

Value for investors

Sustainable shareholder returns.

- 16.9% return on equity.
- Strong internal capital generation capacity.
- Frw 81.9 billion in retained earnings.

Value for government and regulators

Partner of choice for impactful government led initiatives

- Compliance with regulatory requirements.
- Frw 13.4 billion income tax expense in 2024
- Banker of choice for several collection and distribution services, required by the governments in the region we operate in.

Value for society

ESG leader

- 20.3% of green loans in our portfolio.
- BPR Foundation programmes continue to deliver meaningful impact acoss the region.

bpr FOUNDATION

Value for Stakeholders

Stakeholder engagement is a key ingredient for long-term resilience and sustainability of our Bank and is central to how we execute our strategy. We take into consideration the needs and views of our different stakeholders as well as the consequences of any decision in the long term.

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

Customers

Who they are

Over 400 Thousand customers across Rwanda. They include:

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

How we engaged during the year We engage and serve customers through multi-channel touchpoints. Our customers have access to 73 branches in the region. Through these branches, we manage customer relationships, sell and cross sell products, onboard customers to digital touchpoints, and process customer transactions. Our non-branch channels encompass mobile banking, internet banking, agency banking outlets, and merchant points of sale.

In addition, we have a 24/7 multichannel contact centre. During the year, besides regular engagements undertaken by regional and branch managers, we also conducted a series of customer engagement events across the country. These sessions were led by our Managing Director. They were primarily focused on understanding and addressing the specific needs of our clients.

What they tell us matters to them

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

Key metrics that we track

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

Value created, preserved or eroded in the year

Customer Effort Score held steady at 13% (2023: 13%) on sustained efforts to reduce customer pain points

This section provides a comprehensive overview of our customer base, engagement efforts, and the value created through service delivery. It effectively highlights the diverse nature of our clientele and the multi-channel approach we employ to meet their needs. To enhance clarity and impact, consider:

- Structuring the customer segments and engagement methods into bullet points or subheadings for easier readability.
- Adding year-on-year comparisons for all listed metrics (not just CES) to give a clearer picture of performance trends.
- Including specific examples or outcomes from the customer engagement events to illustrate tangible value created.
- These adjustments will improve both the visual presentation and depth of insight conveyed.

Employees

Who they are

The BPR has a diverse and exceptionally talented staff complement.

The key highlights of our staff complement are:

- 1,004 employees
- 48% are female & 52% male

How we engaged during the year

We foster a culture of open communication across the BPR. During the year we held quarterly town hall meetings with all staff. These engagements, led by our Chief Executive Officer, facilitated communication on business performance and provided a feedback platform for employees.

We also held strategy cascade sessions and several webinars for staff throughout the year, serving as vital platforms to keep employees informed about pertinent issues. These webinars were designed to provide an in-depth exploration of topics important to the organization, aiming not just to share information but to foster a deeper understanding among participants. Some of the key focus areas included mental wellness, nurturing a family and financial literacy. By delving into these topical issues, these webinars empowered staff with a nuanced understanding of the challenges and developments within the organization, promoting a culture of continuous learning and adaptability.

We also launched the Adopt a Branch program where Directors, Heads of Departments and Senior Managers adopted branches with the purpose of creating leadership visibility and improving timeliness in resolving both customers and employees' concerns.

The Human Resource Division is responsible for the overall employee experience and feedback gathering.

What they tell us matters to them

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

Key metrics that we track

- Organisational Health Index (OHI)
- Talent retention rate.
- Learning and development.
- Career progression and skill development programmes.

Value created, preserved or eroded in the year

Employee benefits improved to Frw 40 billion (2023: Frw 38 billion) on enhance performance-based remuneration.

Staff attrition rate improved to 6.2% (2023: 7.9%) on competitive employee value proposition.

Achieved a 90% closure of action points identified following the Organization Health Index survey conducted in 2023.

Promoted 627 employees across the BPR upon demonstrating their ability to handle greater responsibilities (2023: 759)

Promoted six successors in our Talent Cover programme to Director and Head of Department roles as part of bringing to life our succession agenda.

Sustained a diverse workflow, 48% of employees are female (2023: 48%)

Society

Who they are

- Communities
- Suppliers
- Media
- Natural environment

How we engaged during the year

Media remains a critical stakeholder for BPR Bank. In 2024, we leveraged various media platforms (print, broadcast and social media) both locally and internationally to bolster our brand image, customer engagement, and overall business objectives.

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

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

BPR Bank worked closely with its partners in driving sustainability. These were undertaken through bilateral sessions, collaborations through working groups and participation in international fora such as the 29th United Nations Climate Change Conference (COP 29).

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

What they tell us matters to them

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

Key metrics that we track

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

Value created, preserved or eroded in the year

Screened loans worth over USD 23.1 million, ensuring financed projects comply with environmental standards and social safeguards.

Planted 5,500 Trees

Our Foundation created 485 direct jobs in partnership with The National Youth Council

Sustained 776 students through our Vocational training Scholarship

Increased proportion of procurement spend on local suppliers to 78% (2023: 70%)

Increased value of procurement contracts awarded to enterprises owned by youth, women, and persons living with disabilities to Ksh 913 million (2023: 874 million)

83% of our suppliers signed our Supplier Code of Conduct aimed at embedding sustainable practices in our supply chain (2023: 53%)

Faced reputation risks borne out of exposure to large ticket government programmes and legal disputes for recoveries of nonperforming loans. The BPR voluntarily disclosed information on its exposure to government programmes and status of legal disputes even when not legally required, to preempt negative media coverage an demonstrate transparency.

"At BPR Bank, we recognize the vital role our stakeholders play from communities and suppliers to media and the environment. In 2024, we deepened engagement across these groups, leveraging media to enhance our brand and connect with the community, collaborating with partners to advance sustainability, and strengthening supplier relationships through open dialogue. Our commitment to responsible procurement, transparency, and contributing to the Sustainable Development Goals remains unwavering, as reflected in increased local sourcing, targeted support for underrepresented groups, and proactive reputation management."

2024 Sustainability Highlights

Environmental Conservation and Climate Action

BPR made significant strides in contributing to environmental protection and climate resilience:

5,500
trees planted

Tree Planting Initiative:

A total of 5,500 trees were planted across various locations by staff volunteers at Masaka Sector, Kicukiro District and Buhanda in Ruhango District, Southern Province. This activity aligns with national reforestation goals and supports efforts to mitigate climate change through carbon absorption and biodiversity restoration.

231 Million
Financed projects on Environment

Green Lending:

Through strict Environmental and Social Due Diligence (ESDD), BPR screened loans worth over USD 23.1 million, ensuring financed projects comply with environmental standards and social safeguards.

Financial Inclusion and Access to Finance

sustainability agenda

A core element

of BPR's sustainability agenda is broadening financial access across Rwanda

1526
agents

Agent Banking:

With a growing network of over 1,526 agents, BPR processed more than Rwf 576 billion in deposit transactions through agency banking alone. This service enhances accessibility, especially in rural and underserved areas.

48,800
Digital Banking

Digital Banking:

Mobile and internet banking user bases continue to grow, with over 41,000 active mobile banking users and 7,800 internet banking users in 2024, promoting convenience and reducing paper-based transactions.

2024 Sustainability Highlights

Economic Empowerment & SME Support

SME

143 Frw Billion

SME Lending:

The Bank disbursed over Rwf 143 billion in loans to small and medium enterprises (SMEs), helping to strengthen local businesses, drive job creation, and stimulate economic development.

776

individuals

igire Program

BPR Igire Program:

This flagship program delivered practical training to 776 individuals, creating 485 direct jobs and 259 indirect jobs in 2024 alone. It demonstrates the Bank's commitment to inclusive economic growth and poverty reduction.

Education, Youth Empowerment & Gender Equality

Investing in people, especially youth and women, remains central to BPR's social impact

Scholarships for Tertiary Education:

Through the Igire program, 100 scholarships were awarded 39 to female students and 61 to male students helping youth from vulnerable backgrounds pursue higher education.

Gender Equality in the Workplace:

48% of BPR employees are women.

Women represent 38% of the Bank's Board of Directors.

13 women are in top leadership positions.

The staff gender ratio is nearly balanced at 48% female vs. 52% male.

2024 Sustainability Highlights

Inclusion of People with Disabilities

10 Frw Billion

was donated to support programs benefiting

4 employees with disabilities integrated

into the workforce, reinforcing inclusive hiring practices.

Governance and Ethical Conduct

Strong governance and risk management underpin BPR's sustainability approach:

Fraud Monitoring:

In 2024, 9 employees were exited due to confirmed involvement in fraud, with the value of fraud cases amounting to USD 84,262. The Bank recorded zero successful attempted frauds for the year, reflecting robust internal controls

Sustainability Governance Framework:

Sustainability is now fully embedded within BPR's governance structures, with measurable KPIs, board oversight, and strategic alignment across departments

Strategic Partnerships for Sustainable Development

Collaboration with global partners enhanced the Bank's ability to deliver impact

BPR secured major funding partnerships, including: USD 50 million from the International Finance Corporation (IFC). USD 5.6 million from Denmark's Investment Fund for Developing Countries (IFU).

These funds are earmarked for boosting access to finance for MSMEs and promoting green and inclusive lending.

2024 Recap

Customer Thanksgiving Breakfast.

BPR Bank Rwanda, on February 14, hosted a thanksgiving breakfast at Kigali Convention Centre to celebrate and honor primarily its faith based customers.

The event was purposed to acknowledge the support and partnership of the bank's valued clientele, attended by Management and staff, the event was part of the bank's strategy to strengthen relationships through regular stakeholder engagement.

Championing Inclusivity & Progress

BPR Bank Rwanda management on Thursday, March 7, committed to being champions of inclusivity and progress, within the financial institution and in the communities it serves.

This was as the bank held a customer's International Women's Day forum in Kigali attended by customers, other guests, associates, partners, banking industry professionals, as well as women entrepreneurs trained in the BPR Biashara club.

BPR Bank Partners with IFC to Increase Access to Finance for Small Businesses

Kigali, Rwanda, September 9, 2024 – To drive growth and development in Rwanda by widening access to finance for small and medium-sized businesses in the country, IFC & BPR announced a financing package of up to $40 million in the equivalent of local currency.

The package comprises up to 53.8 billion Rwandan francs, the equivalent of U.S. $40 million, from IFC's own account, and up to 26.9 billion Rwandan francs, the equivalent of U.S. $20 million, mobilized from other development finance institutions. The financing will allow BPR Bank Rwanda Plc, Rwanda's third largest bank by asset size, to expand access to credit to small- and medium-sized businesses (SMEs) in the country, especially those in sectors that bolster economic diversification, such manufacturing, agribusiness and services.

Brand Thematic & Products Roadshows

BPR Bank Rwanda Plc conducted a three-day roadshow in Kigali from June 26 to 28, named 'Ibyiza ku bacu', aimed at showing the bank's new Mobile and Internet banking products as well as empowering its clients for a brighter future and fostering their participation in the community.

It started at Kimironko market, proceeded to Kabuga market, and wrapped up at Nyabugogo market. The occasion witnessed a significant turnout of attendees from the three markets, gaining insights into BPR Bank Rwanda's offerings. Nyabugogo, Kimironko, and Kabuga were selected as venues due to BPR's focus on youth, women, SMEs, and other business sectors.

Bpr Bank Rwanda Joins Women in Finance To Advance Gender Equality, Inclusivity

BPR Bank Rwanda, on March 11, officially joined Women in Finance Rwanda, a platform dedicated to advocating for gender balance in the Rwandan financial sector and nurturing an inclusive culture that supports the advancement of women.

The move underscores the bank's commitment to promoting gender equality and inclusivity in the financial sector.

Appointment of New Chief Finance Officer.

BPR Bank Rwanda Plc appointed Vincent Ngirikiringo as the Bank's new Chief Finance Officer.

Ngirikiringo is a finance professional who, prior to joining BPR Bank, worked at the Development Bank of Rwanda (BRD) for over six years as the Chief Finance Officer. He also served as a Deputy Chief Financial Officer at I&M Bank Rwanda.

Ngirikiringo is a graduate of the University of Rwanda with academic certifications from Strathmore Business School and Harvard Business School Executive Education. He is an accountant professional with experience in auditing and financial institutions.

Rollout of Unified Omni channel Project for Internet & Mobile Banking

The NETteller Omnichannel Project aims to improve system performance and enhance customer experience by integrating USSD, iBank, and Mobi services with an optimized backend support framework.

Rollout of Goal Savings Account.

In October 2024, we rolled out Goal Savings Account, a savings solution designed to help both individuals and businesses save towards specific goals, projects, or purposes.

Targeted at Retail Banking customers, it offers tailored features and benefits that enhance financial security and flexibility for a wide range of needs.

BPR Bank to use golf as a potential tool to expand operations

On the 25th – 26 October 2024, BPR Bank organized the BPR Golf Tournament which is part of the KCB East Africa Golf tournament, the Rwanda leg.

Over 200 golfers headlined the BPR-KCB East Africa Golf Tour at the 18-hole Kigali Golf course. Top pros and amateur golfers swung into action in the vibrant Kigali Golf Resort & Villas.

The Tour aimed to onboard all the golf enthusiasts across the East African region in a bid to expand the sport of golf.

The Rwanda edition gave an opportunity to budding golfers to showcase their prowess. The top 4 golfers from this tournament will represent Rwanda at the Finale in Nairobi.

Supporting Motor Sport in Rwanda.

BPR Bank Rwanda Plc partnered with KCB Group to sponsor rally driver Karan Patel and Nikil Khan during the 6th Round of the African Rally Championship in Rwanda.

The competition kicked off with the much anticipated 3-day Mountain Gorilla Rally 2024 that was held in Bugesera, Rwanda where Karan emerged overall winner, displaying various motor skills, unmatched by his competition. The Rwanda Mountain Gorilla Rally is a flagship event of Rwanda Motorsport Club. It is an event of the African Rally Championship which is run under the auspices of the International Federation of Automobiles (FIA).

Empowering youth through the BPR Igire Alumni Club

BPR Bank Rwanda Plc, through its Igire programme—a youth empowerment initiative that has up-skilled over 800 youth and provided seed capital for over 40 businesses to date—launched the Igire Alumni Club on August 7. This aligned with a global month dedicated to celebrating the youth.

The launch of the Igire Alumni Club marks a new chapter in the BPR Igire programme, celebrating the successes of its participants and setting the stage for future innovation and leadership among Rwanda's youth. All alumni of the Igire programme will join the club.

Winner 'Bank of the Year 2024' – Rwanda.

BPR Bank Rwanda was honoured as 'Bank of the Year 2024 – Rwanda' by the Financial Times and its subsidiary The Banker. The prestigious accolade was presented at a gala event held at the Peninsula Hotel, London, on December 4, 2024.

This recognition underscores BPR Bank's unwavering commitment to driving Rwanda's financial ecosystem forward, with a strong focus on Small and Medium Enterprises (SMEs), climate change management, and social empowerment initiatives.

In 2024, BPR Bank Rwanda stood out for its robust SME investment programs. This year the bank has partnered with Denmark's Investment Fund for Developing Countries (IFU) and the International Finance Corporation (IFC) to designate Rwf 62 billion in financing to entrepreneurship and job creation.

MACRO-ECONOMIC

BPR Bank Rwanda completed post-merger channels optimization and upgraded its core banking system

Rwanda's economy grew by 8.9% in 2024, faster than the growth of 8.3% recorded in 2023. This supported by growth in service and industry sectors, which expanded by 10% each. The agriculture capped the three fastest growing sectors with a 5% expansion in the year. Within the industry segment, mining & quarrying and construction activities posted the highest growth, increased by 12% each. At the same time, manufacturing activities grew by 7%. Growth in the services sector was mainly driven by trade and transport activities which grew by 18% and 9%, respectively.

Across other services segments, hotels & restaurants grew by 11%, information & communication services increased by 25%, financial services increased by 7%, public administration services increased by 10%, education services grew by 5%, and health services increased by 15%. Within agriculture, food crops production increased by 5% due to good harvests across both agricultural seasons.

The Rwandan Franc depreciated by 9.2% against the US dollar in 2024. However, resilient exports and dollar inflows continued to support exchange rate stability. In December 2024, the IMF Executive Board completed several economic reviews, including the fourth review under the Policy Coordination Instrument, the final review of the Resilience and Sustainability Facility (RSF), and the second and final review under the Standby Credit Facility (SCF). As a result, Rwanda gained access to immediate disbursements of approximately USD 94.23 million, under the RSF and USD 87.51 million under the SCF. Annual inflation in 2024 averaged 1.8%, a significant decline from 20.4% in 2023.

Looking ahead, inflationary pressures are expected to remain moderate for core and energy components, while food inflation projections have been revised upward due to delayed rainfall. Headline inflation is forecasted to average 5.8% in 2025. The National Bank of Rwanda reduced the Central Bank Rate by 100 basis points, bringing it down to 6.5% aimed at containing inflationary pressures.

This contributed to an overall reduction in interest rates with the 91-day treasury bill averaging 8.03% in 2024, down from 8.51% in 2023. Rwanda's regulatory landscape continued to champion the adoption of climate-related and environmental financial risk management in financial institutions. BPR Bank Rwanda performed a comprehensive climate risk assessment during the year inline with guidelines issued by the regulator. The Bank also positioned itself to directly support the country's green agenda and align with global sustainability standards. This shift created new opportunities to develop green financing products and attract environmentally conscious partners, enhancing BPR's reputation in sustainable banking.

BPR's total revenue grew by 4% to Frw 115Bln driven by increased earnings from both funded and nonfunded lines. Growth in nonfunded income was supported by sustained deepening of digital channels which led to increased transactions. The Bank upgraded its core banking system, launched a mobile & internet banking platform, introduced in-country card personalization to ease the turnaround time and expanded agency banking & merchant acquiring through rollout of POS and web-based solutions.

The Bank also concluded its post-merger branch rationalization programme, closing 70 branches, which reduced its footprint to 76 optimally located branches.

Regulatory Developments In Rwanda

In 2024, Rwanda's regulatory landscape advanced significantly, with key improvements in climate-related and environmental financial risk management requirements for financial institutions.

These guidelines prompted BPR Bank Rwanda to perform comprehensive climate risk assessments, directly supporting the country's green agenda and aligning our bank with global sustainability standards.

This regulatory shift created new opportunities to develop green financing products and attract environmentally conscious investors, enhancing our reputation in sustainable banking.

Additionally, the National Bank of Rwanda's emphasis on consumer protection and data protection regulations promoted transparency and enriched customer experience standards across the sector. For BPR, these regulations led to strengthened compliance efforts and the opportunity to further build customer trust and loyalty.

Our investments in robust cybersecurity and data management systems in response to data protection requirements reinforced our commitment to customer confidentiality and enhanced resilience against data security risks.

Rwanda has recently undergone noteworthy regulatory advancements, encompassing compensation frameworks for banks, the Directive on Recovery Plan, and the implementation of consumer protection, data protection legislations, and adherence to the Global Forum on Common Reporting Standard.

5.0% Contribution to KCB Group revenue

4.7% Share of Total KCB Group assets

8.9% GDP growth in 2024

CUSTOMER EXPERIENCE & CONSUMER PROTECTION.

The Bank has implemented a new organizational structure dedicated to ensuring exceptional customer experience and consumer protection. This structure is supported by the Management Committee and specialized staff, enabling effective adherence to applicable laws and regulatory requirements. It enhances our capacity to fulfill consumer protection obligations with greater focus and accountability. Oversight is further reinforced by a Board level committee that monitors and guides the implementation of consumer protection measures.

We are firmly committed to treating customers fairly by embedding a culture of fairness throughout the organization. This commitment is demonstrated through a deep understanding of customer needs and the delivery of products and services that are both suitable and accessible. Fair treatment is driven from the top through leadership, strategy, and decision-making, and it extends across all functions including recruitment, staff development, performance management, and internal controls. This integrated approach supports the consistent delivery of positive outcomes for our customers.

To assess and enhance service delivery, the Bank regularly conducts key customer feedback surveys, including the Customer Satisfaction Survey (CSAT), Net Promoter Score (NPS), and Customer Effort Score (CES). The most recent results indicate strong performance, with a CSAT of 79.5%, an NPS of 64, and a CES of 17%.

In addition, the Bank received 4,340 complaints and maintained a 100% complaint resolution rate, demonstrating our strong commitment to the timely and effective handling of customer concerns.

BPR Bank Rwanda has adopted a new organizational structure focused on delivering exceptional customer experience and ensuring consumer protection. Backed by leadership and specialized teams, this framework strengthens compliance, accountability, and fairness across the Bank. Our commitment is reflected in high customer satisfaction metrics—CSAT of 79.5%, NPS of 64, and CES of 17%—as well as a 100% complaint resolution rate. We continue to embed a culture of fairness and responsiveness in everything we do.

79.5%
Customer Satisfaction Survey

64
Net Promoter Score

17
Customer Effort Score

Delivering on our Strategy

Chairman's Statement

In 2024, BPR Bank Rwanda saw strong growth and impact, advancing national development and community empowerment. As we near our 50th anniversary, we remain focused on inclusive and sustainable progress.

2024 was a notable year in BPR Bank Rwanda's journey as we intensified our efforts to empower individuals, businesses, and communities. This comes at a time of significant macroeconomic resilience in Rwanda, driven by a rebound in services, continued investments in infrastructure, and growth in agriculture and industry. This recovery created a favorable backdrop for financial sector expansion and BPR Bank rose to the moment.

Our total assets grew to FRW 971.8 billion, a reflection of prudent capital management, growing investor confidence, and our deepening role in financing Rwanda's development agenda. Profit before tax stood at FRW 43 billion, enabling the Board to propose a dividend payout of 13.7% of profit after tax—balancing shareholder returns with long-term capital investment.

This year, we reinforced our leadership in corporate banking and infrastructure financing, contributing to national priorities such as manufacturing and transport development. Our strategic partnerships with global financial institutions enabled us to channel capital into high-impact sectors aligned with Vision 2050.

In 2024, BPR Bank Rwanda achieved significant milestones amid Rwanda's resilient economic recovery. Total assets rose to FRW 971.8 billion and profit before tax reached FRW 43 billion, reflecting strong capital management and investor confidence. The Bank reinforced its leadership in corporate banking and infrastructure financing, aligned with national development goals and Vision 2050. Strategic partnerships and stable macroeconomic conditions supported lending growth and financial stability. Social impact was advanced through the IGIRE youth program, sports initiatives, and leadership development. As BPR prepares to celebrate its 50th anniversary in 2025, it remains committed to driving inclusive, digital, and sustainable financial progress for Rwanda.

While inflation remained moderate and the monetary policy stance stable, we leveraged our strong liquidity position to support lending and maintain resilience. Our liquidity coverage ratio stayed well above regulatory thresholds, signaling financial stability amid broader economic shifts.

In August 2025 we will be celebrating 50 years of existence as BPR, and we marked the start of these celebrations by unveiling a commemorative logo which will be followed by several other initiatives reflecting our legacy of inclusive growth. Through the IGIRE vocational training program, we have empowered over 1,000 youth with practical skills, and through national partnerships in sports and community outreach, we continued to deepen our social footprint.

We also invested in leadership development to future-proof our talent base, positioning BPR Bank to lead Rwanda's transition into a digitally enabled and sustainable financial ecosystem.

As we look ahead, we are optimistic. The Government of Rwanda's continued infrastructure investment, sector diversification, and financial inclusion strategies present significant opportunities. We are committed to remaining a catalyst for growth, innovation, and impact.

On behalf of the Board, I thank our customers, shareholders, staff, and regulators for their trust and support. The next 50 years begin now with renewed purpose and shared ambition.

Board of Directors

George Rubagumya
Chairman

Patience Mutesi
Managing Director

Alexis Nsengumuremyi
Director

Vanessa Umutoni
Director

Paul Russo, EBS
Group Chief Executive Officer

Diana Hagumba
Director

Jean Kalima Malic
Director

Brice Manzi
Company Secretary

Pascal Nyiringango
Treasury

Board of Director's Profiles

Name: GEORGE W. RUBAGUMYA

Designation: Board Chairman

Date of Appointment

January 2022

Education and Professional Background:

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

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

Name: Paul Russo

Designation: Director & KCB Group Chief Executive Officer

Date of Appointment to Board as Alternate:

August 2021

Education and Professional Background:

Paul Russo, EBS holds a master's in business administration from Strathmore University Business School and a Bachelor of Business Management from Moi University. He also holds a senior executive program for Africa Certificate from Harvard Business School. He is a member of the Kenya Bankers Association Governing Council. Paul sits in the Boards of the National Investment Council and the National Steering Committee on Drought Response. He is also a member of Steering Committee for the World Rally Championship (WRC) Safari Rally Project. He also serves in the United Nations Environment Program Finance (UNEP-FI) Leadership Council. Prior to his appointment as the Group Chief Executive Officer, he served as the Group Regional Business Director and the MD NBK. A HR practitioner, he has close to 25 years of work experience spanning executive and key roles including Group HR Director, KCB Group. He has served in other big corporates such as Barclays, PwC, K-Rep Bank, EABL, and Unga Holdings.

Name: Vanessa Umutoni

Designation: Director

Date of Appointment to Board:

January 2024

Education and Professional Background:

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

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

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

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

Name: DIANA HAGUMA

Designation: Director

Date of Appointment to Board:

December 2020

Education and Professional Background:

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

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

Name: Dr. Alexis Nsengumuremyi
Designation: Director
Date of Appointment to Board:
December 2022

Education and Professional Background:

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

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

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

Name: Patience Mutesi
Designation: Managing Director
Date of Appointment to Board
December 2022

Education and Professional Background:

Patience has an MBA in Finance from Maastrich School of Management, Netherlands and a BSc in Quantitative Economics, Makerere University, Uganda. She joined BPR Bank from TradeMark East Africa (TMEA) where she was serving as the Country Director. She was responsible for maintaining strategic relationships with government, private sector, civil society and donor community, while overseeing strategic projects implementation in trade facilitation in Rwanda. She has diversified background in the financial sector including credit management, product development and fundraising, extensive experience in deal origination, negotiation, structuring, and execution as well as credible expertise in strategic risk management having previously served as Corporate Bank Head, Ecobank Rwanda and Cluster Head for EAC as well as Deputy Head of Corporate Banking and Senior Relationship Manager, BCR.

Name: Pascal Nyiringango
Designation: Director
Date of Appointment to Board:
February 2023

Education and Professional Background:

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

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

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

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

Name: Jean Malic Kalima
Designation: Director
Date of Appointment to Board:
January 2022

Education and Professional Background:

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

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

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

Executive Committee

Patience Mutesi
Managing Director

Brice Manzi
Head of Legal & Company Secretary

Christelle Kayihura
Head of Credit

Vincent Ngirikiringo
Chief Finance Officer

Fauqiya Shareef
Head of Human Resources

Edward K Bitok
Head of Operations

Akimanzi Albert
Head of Marketing, Corporate Affairs

Xavier Mugisha Shema
Executive Director, Commercial Businesses

Andre Tushabe
Ag. Head of Digital

Innocent Africa
Head of Risk

RICHARD Ngabonziza
Head of Treasury

Nzahabonimana Emmanuella
Head of IT & Cyber Security

Ndahiro Stephen
Head of Compliance

Mutabishi Johnny
Head of Corporate Banking

Mbyayingabo Joel
Head of Audit

Jean Marc Gakwandi
Ag. Head of Retail

Managing Director's Statement

In 2024, BPR Bank Rwanda delivered strong growth, expanded SME support, advanced digital banking, and deepened its ESG focus. As we celebrate 50 years, we're honored to be named Bank of the Year 2024

I am pleased to share BPR Bank Rwanda's 2024 performance against a backdrop of national economic resilience. Rwanda's GDP expanded by 8.9%, supported by strong performance in the services sector, stable inflation levels, and a predictable monetary policy environment. These conditions enabled banks to play a more active role in powering growth and we did just that.

BPR Bank recorded a profit before tax of FRW 43.1 billion, reflecting healthy momentum across all business lines. Net interest income increased by 23%, customer deposits rose by 13% to FRW 679 billion, and our net loans and advances grew by 8% to FRW 620.6 billion. This performance aligns with Rwanda's economic diversification, which has spurred demand for credit in sectors like agribusiness, manufacturing, and services.

A significant achievement in 2024 was securing a financing package of up to $40 million from the International Finance Corporation (IFC), and a USD 5.6 million guarantee facility from the Government of Denmark through the Investment Fund for Developing Countries. This will enable us to deepen support for SMEs—the backbone of the Rwandan economy.

BPR Bank Rwanda closed 2024 with strong performance, recording a profit before tax of FRW 43.1 billion, driven by growth across all business lines and a resilient economic environment. With customer deposits up 13%, net interest income up 23%, and strategic financing secured to support SMEs, we continued to fuel Rwanda's development. Key achievements included the launch of a unified digital banking platform, a strong liquidity position, and progress on ESG goals through global partnerships. As we mark 50 years, we are honored to be named Bank of the Year 2024 Rwanda, and remain committed to inclusive, sustainable, and innovative growth.

We also accelerated our digital transformation journey. The launch of our Unified Omni-channel platform has provided seamless and secure access to banking across mobile, internet, and USSD crucial in a country where digital adoption continues to rise. In-country card personalization reduced turnaround time, improving customer service efficiency.

Operationally, we continued to optimize costs while maintaining a cost-to-income ratio that ensures long-term sustainability. With a liquidity coverage ratio of 237.65%, BPR Bank remained one of Rwanda's most stable institutions.

Sustainability was a key focus in 2024. We partnered with the European Investment Bank to implement an ESG and Climate Change Management Strategy, enabling the bank to align with Rwanda's green finance framework and actively contribute to global climate goals.

As Rwanda's economy advances toward middle-income status, we are aware of our role to boost sustainable growth. At BPR Bank, we are committed to not only inclusive growth, but innovation, and environmental stewardship. Our 50th anniversary this year is a keen reminder of the deep responsibility we carry and the multiple opportunities that lie ahead.

Due to our consistent investments in SME's and community empowerment initiatives, we were recognized as Bank of the Year 2024 - Rwanda by The Financial Times. This award is dedicated to you, our Customers, Shareholders, Board, Management and Staff.

We are grateful to each and every one of our stakeholders. Together, we are committed to shaping the next chapter of banking in Rwanda with purpose, agility, and integrity.

BPR FOUNDATION ACTIVITIES

The IGIRE program is an initiative aimed at reducing unemployment in Rwanda by equipping youth with technical skills that make them more competitive in the job market and supporting the growth of SMEs.

This annual project has been running since 2018 and follows a project cycle that includes planning, implementing, monitoring, and evaluation of youth aiming to adopt vocational skills.

In 2024, the Foundation collected over 635 applications, interviewed 400 applicants, and recruited 100 students according to the allocated Foundation budget.

In 2024, 85 Students were classified as completed, after a period of six months of

training including a month of industrial attachment at a graduation event where 5 startups selected as the best business projects were rewarded with seed capital, aligning with the program objective of enabling the growth of SMEs.

The students have completed in the fields of Masonry, Plumbing, Culinary Arts, Electrical Repair and Maintenance and Carpentry across several Integrated Polytechnic Regional Colleges

(IPRCs) in Rwanda

Over
100
Youths trained in vocational skills.

85
Completed program

5
Businesses Financed

Our Social Investment BPR Bank Foundation

Financial Statements & Notes

BPR Bank Rwanda PLC
Report of the Directors
For the Year Ended 31 December 2024

The Directors submit their report together with the audited financial statements for the year ended 31 December 2024 which disclose the state of affairs of BPR Bank Rwanda Plc (the "Bank"/ the "Company").

Principal activities
The Bank is engaged in the business of commercial and retail banking.

Results
Profit for the year of Frw 29,675 million (2023: Frw 25,896 million) has been added to the retained earnings of the Bank.

Dividend
The Directors proposed dividend of Frw 4,075 million for the year (2023: Nil).

Directors
The Directors who held office during the year and to the date of this report were

REGISTERED OFFICE
The Bank is incorporated and domiciled in the Republic Rwanda as a Public limited liability company. The address of its registered office is

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

AUDITOR
The Bank's independent auditor, PricewaterhouseCoopers Rwanda Limited, will not continue in their role as auditor as their term has come to end in accordance with Law No.007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 and regulation No. 14/2017 on accreditation and other requirements for external auditors of banks in Rwanda.

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

Directors have the power to amend and reissue the financial statements.

BPR Bank Rwanda PLC
Report of the Directors
For the Year Ended 31 December 2024

BANKERS

National Bank of Rwanda
P.O. Box 531
Kigali
Rwanda

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

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

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

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

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

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

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

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

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

CITI BANK
388 Greenwhich
NY 10013,USA
New York

BY ORDER OF THE BOARD

Company Secretary

BPR Bank Rwanda PLC
Report of the Directors
For the Year Ended 31 December 2024

The Directors are responsible for the preparation of financial statements that give a true and fair view of the financial status of BPR Bank Rwanda Plc, as set out on pages 11 to 102 which comprise the statement of financial position as at 31 December 2024, and the statements of comprehensive income, changes in equity and 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 and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

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

The Directors have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

Approval of financial statements

The financial statements of BPR Bank Rwanda Plc, as identified in the first paragraph, were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Managing Director

Chair - Board Audit Committee

Board Chairman

BPR Bank Rwanda PLC

Corporate Governance Statement
For the Year Ended 31 December 2024

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

The Board of Directors

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

Board meetings

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

Board Committees

The Board has created the following principal committees which meet regularly under well-defined and materially delegated terms of reference set by the Board and in accordance with National Bank of Rwanda Regulation N° 01/2018 of 24/01/2018 on Corporate Governance for Banks

1. Risk Management Committee

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

2. Audit Committee

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

3. Remuneration and Nominations Committee

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

4. Credit Committee

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

5. IT & digital transformation Committee

The Committee meets at least four times per year as a minimum and otherwise as required and at such other times as the Committee Chairperson shall determine. The Company's technology programs support the Company's business objectives and strategies; provide appropriate data security and data privacy; and to advise the board on technology-related matters. The Digital Banking business supports the Company's business objectives and strategies, and to advise the board on digital-related matters.

6. Strategy & business development

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

BPR Bank Rwanda PLC
Corporate Governance Statement
For the Year Ended 31 December 2024

Record of Board/ Committee meetings attendance

The following table shows the record of attendance to the Board and Committee meetings for the year ended 31 December 2024.

	MAIN BOARD	AUDIT	CREDIT	REMCO	RISK	STRATEGY & IT CO	PROCUREMENT
Meetings held	7	5	17	10	5	6	4
George Rubagumya	7	×	2	4	1	3	2
Diana Haguma	7	5	×	10	4	4	×
Patience Mutesi	7	×	17	10	×	6	4
Paul Russo	6	×	7	2	×	2	4
Jean Malic Kalima	7	5	17	1	4	×	4
Alexis Nsengumuremyi	7	5	17	10	2	2	×
Pascal Nyiringango	7	5	0	10	2	6	4
Vanessa Umutoni	7	2	15	2	4	6	4

Management committees

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS BPR BANK RWANDA PLC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of BPR Bank Rwanda Plc (the "Bank"/ "Company") give a true and fair view of the financial position of the Bank as at 31 December 2024, 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 Company's financial statements as set out in pages 56 to 130 comprise:

- the statement of financial position as at 31 December 2024;
- the statements of comprehensive income;
- 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 a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements 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 Company 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 those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matter below was 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 the matter.

pricewaterhousecoopersrwanda limited , 5th floor , BlueStart House,35 KG 7 Ave,Kacyiru

Po Box 1495 Kigali Rwanda

Tel +250(252)588201/2/3/4/5/6. www.pwc.com/rw

pwc

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS BPR BANK RWANDA PLC

Key audit matters (Continued)

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 judgment 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 32(a) of the financial statements. The key areas where significant judgement has been exercised and therefore, an increased level of audit focus applied, include: • the judgments made to determine the categorisation (staging) of individual loan and advances accounts 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 a 12-month or lifetime PD is used; • the assumptions applied in deriving the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD) for the various segments of loans and advances; • the appropriateness of forward-looking information used in the model; • the conceptual logic, soundness and accuracy of the expected credit losses models used by the Bank • the relevance of forward-looking information used in the models; and • 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:: 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: • We evaluated the Bank's methodology for determining ECL and evaluated this against the requirements of IFRS 9; • We tested 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 agreed these to the DPD as per the Bank's IT system and the respective customer files; • We evaluated judgments applied in the staging of loans and advances; • Obtained an understanding of the basis used to determine the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD) • For LGD, 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 the completeness and accuracy of the historical data used in derivation of PDs, LGDs and EADs, and re-calculated the outcomes on a sample basis. For LGD, we tested the assumptions on the timing of the cash flows based on historical 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 used in the ECL calculations, we corroborated the assumptions using publicly available information; • We assessed whether the disclosures in the financial statements on the key judgements and assumptions were adequate.

pwc

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS BPR BANK RWANDA PLC

Other information

Directors are responsible for the other information. The other information comprises the Directors' report, Statement of directors' responsibilities, corporate governance statement and the appendix which we obtained prior to the date of this auditor's report, and the other information that will be included in the annual 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 and 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 annual report, if we conclude that there is material misstatement there in, we are required to communicate the matter to the directors.

Responsibilities of the directors for the financial statements

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

Directors are also responsible for overseeing the Company'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 also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS BPR BANK RWANDA PLC

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 Company, so far as appears from our examination of those books;

ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

iii. We have no relationships, no interests and debt in the Company; 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 as amended by Law No. 019/2023 of 30/03/2023.

For PricewaterhouseCoopers Rwanda Limited, Kigali,

Brian Ngunjiri

Brian Ngunjiri **01 April 2025**

Director

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Statement of comprehensive income

	Notes	2024 Frw'000	2023 Frw'000
Interest revenue calculated using the effective interest method	1	114,508,398	91,882,309
Interest expense calculated using the effective interest method	2	(34,209,537)	(24,536,972)
Net interest income		**80,298,861**	**67,345,337**
Fees and commission income	3 (a)	13,398,804	12,515,947
Fees and commission expense	3 (b)	(2,358,713)	(1,901,272)
Net fees and commission income		**11,040,091**	**10,614,675**
Net foreign exchange gain	4	4,533,409	2,088,501
Other operating income	5	602,057	186,375
Total operating income before impairment charge		**96,474,418**	**80,234,888**
Impairment charge on financial assets	6	(7,775,562)	(2,481,081)
Total operating income after impairment charge		**88,698,856**	**77,753,807**
Employee benefits	7	(21,817,386)	(18,896,045)
Operating expenses	8	(15,971,562)	(14,110,925)
Depreciation and amortization	9	(7,821,566)	(6,868,304)
Total operating expenses		**(45,610,514)**	**(39,875,274)**
Profit before income tax		**43,088,342**	**37,878,533**
Income tax expense	10	(13,413,598)	(11,882,761)
Profit for the year		**29,674,744**	**25,895,772**
Total comprehensive income for the year		**29,674,744**	**25,895,772**

The notes set out on pages 60 - 130 form an integral part of these financial statements.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Statement of financial position

Assets	Notes	2024 Frw'000	2023 Frw'000
Cash in hand	11 (a)	30,454,316	14,831,613
Balance with the National Bank of Rwanda	11 (b)	67,439,670	36,786,164
Amounts due from other banks	12	36,957,484	23,751,452
Other financial assets	16 (a)	1,061,792	10,427,381
Other non-financial assets	16 (b)	5,156,108	4,593,438
Due from related parties	29 (c)	506,987	215,642
prepared income tax	26 (b)	1,054,630	3,353,728
Derivatives	13	1,659,708	1,166,401
Debt isntruments at amortised cost	14	170,265,722	145,610,838
Loans and advances	15	620,647,751	572,749,472
Deferred income tax	26 (a)	453,158	859,262
Right-of-use assets	19	3,897,564	6,042,731
Intagible assets	17	7,681,131	8,018,525
Property and equipment	18	24,641,490	23,619,676
TOTAL ASSETS		**971,877,511**	**852,026,323**
LIABILITIES AND EQUITY			
Liabilities			
Deposits with other banks	21	104,697,252	121,103,865
Customer deposits	20	574,419,293	508,030,173
Other financial liabilities	25 (a)	4,123,575	3,230,078
Credit funds	23	1,191,885	2,710,733
Due to related parties	29 (d)	7,568,757	2,118,583
Current income tax	26(c)	2,331,011	1,424,470
Legal provisions	22	116,372	159,131
Other non-financial liabilities	25 (b)	6,786,352	1,152,730
Lease liabilities	27	3,933,948	6,281,695
Borrowings	24	91,190,812	59,971,355
Total liabilities		**796,359,257**	**706,182,813**
Equity			
Share capital	28 (a)	81,509,050	81,509,050
Share premium	28 (b)	8,032,565	8,032,565
Retained earnings	28 (c)	81,901,186	56,301,895
Proposed dividend	28 (d)	4,075,453	-
TOTAL EQUITY		**175,518,254**	**145,843,510**
TOTAL EQUITY AND LIABILITIES		**971,877,511**	**852,026,323**

The notes set out on pages 60 -130 form an integral part of these financial statements.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024
Statement of changes in equity

Year ended 31 December 2024	Notes	Share capital Frw'000	Share premium Frw'000	Proposed dividend Frw'000	Retained earnings Frw'000	Total Frw'000
At 1 January 2024		**81,509,050**	**8,032,565**	**-**	**56,301,895**	**145,843,510**
Comprehensive income						
Profit for the year	28	-	-	-	29,674,744	29,674,744
Other comprehensive income						
Transactions with owners in their capacity as owners:		-	-	-	-	-
Dividends provided for	28	-	-	4,075,453	(4,075,453)	-
At 31 December 2024		**81,509,050**	**8,032,565**	**4,075,453**	**81,901,186**	**175,518,254**
At 1 January 2023		**81,509,050**	**8,032,565**	-	**30,406,123**	**119,947,738**
Comprehensive income						
Profit for the year	28	-	-	-	25,895,772	25,895,772
Other comprehensive income		-	-	-	-	-
At 31 December 2023		**81,509,050**	**8,032,565**	**-**	**56,301,895**	**145,843,510**

The notes set out on pages 60 - 130 form an integral part of these financial statements.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Statement of cash flows

		2024 Frw'000	2023 Frw'000
Cash flows from operating activities			
Net cash generated by operating activities	30	**40,396,557**	**29,729,332**
Cash flows from investing activities			
Purchase of property and equipment	18	(5,200,926)	(3,546,565)
Sale of property and equipment		213,663	785,686
Purchase of intangible assets	17	(1,745,357)	(1,577,293)
Right of use assets acquired	19	(1,594,821)	(3,213,142)
		(8,327,441)	**(7,551,314)**
Cash flows from financing activities			
Long term debt paid in the year	24	(9,731,593)	(4,796,412)
Lease interest payments		(315,155)	(464,127)
Payments of lease liabilities (principal)	27	(1,244,818)	(2,223,309)
Repayment of credit fund	23	(1,518,848)	19,134
Long term debt received in the year	24	39,312,450	13,327,841
Net cash flows used in financing activities		**26,502,036**	**5,863,127**
Net increase /(decrease)in cash and cash equivalents		**58,571,152**	**28,041,145**
Cash and cash equivalents at 1 January	30	98,809,466	69,819,613
Effects of exchange rate changes on cash and cash equivalents		458,196	948,708
Cash and cash equivalents at 31 December	**30**	**157,838,814**	**98,809,466**

The notes set out on pages 60 - 130 form an integral part of these financial statements.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements

1. Interest revenue calculated using the effective interest method	2024 Frw'000	2023 Frw'000
Interest on loans and advances	97,566,983	78,181,479
Interest on government securities	16,316,498	13,269,600
Interest on placements and bank balances	624,917	431,230
	114,508,398	**91,882,309**

2. Interest expense calculated using the effective interest method		
Interest on customer deposits	25,536,667	19,027,012
Interest on deposits from financial institutions	2,364,325	2,360,838
Interest on borrowings	5,993,390	2,684,995
Interest expense on lease liabilities	315,155	464,127
	34,209,537	**24,536,972**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

3. Fees and commissions				**2024 Frw'000**
(a) Fees and commissions income				
Disaggregated revenue information business segments	**Corporate**	**Retail**	**Mortgage**	**Total**
Fees income earned from services that are provided over time				
Fees on letters of credit and guarantees	1,838,437	83,863	196,958	2,119,258
Fees on loan services	477,168	1,707,779	603,791	2,788,738
Fees for accounts management	67,306	1,071,720	451,042	1,590,068
Fees on custody services	371,984	665	1,263	373,912
	2,754,895	**2,864,027**	**1,253,054**	**6,871,976**
Fee income from providing financial services at a point in time				
Commissions on other non-banking services	46,150	1,732,923	320,824	2,099,897
Commissions on funds transfer	262,178	1,130,159	1,055,939	2,448,276
Fees on transactions	56,347	1,270,628	96,190	1,423,165
Fees on cheque book	10,388	144,530	119,264	274,182
Commissions for mobile banking	1,312	254,816	25,180	281,308
	376,375	**4,533,056**	**1,617,397**	**6,526,828**
Total revenue from contracts with customers	**3,131,270**	**7,397,083**	**2,870,451**	**13,398,804**

Fees and commissions				**2023 Frw'000**
(a) Fees and commissions income				
Disaggregated revenue information business segments	**Corporate**	**Retail**	**Mortgage**	**Total**
Fees income earned from services that are provided over time				
Fees on letters of credit and guarantees	726,367	33,134	77,818	837,319
Fees on loan services	756,900	2,708,936	957,754	4,423,590
Fees for accounts management	61,475	978,867	411,964	1,452,306
Fees on custody services	393,108	703	1,335	395,146
	1,937,850	**3,721,640**	**1,448,871**	**7,108,361**
Fee income from providing financial services at a point in time				
Commissions on other non-banking services	38,627	1,450,446	268,528	1,757,601
Commissions on funds transfer	227,831	982,101	917,605	2,127,537
Fees on transactions	43,700	985,436	74,600	1,103,736
Fees on cheque book	15,603	217,084	179,135	411,822
Commissions for mobile banking	32	6,241	617	6,890
	325,793	**3,641,308**	**1,440,485**	**5,407,586**
Total revenue from contracts with customers	**2,263,643**	**7,362,948**	**2,889,356**	**12,515,947**

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

Notes to the financial statements

3. Fees and commissions (continued)	2024 Frw'000	2023 Frw'000
b. Fees and commissions expense		
Bank charges	1,091,895	819,777
Agency banking charges	567,870	568,440
Card management fees	503,452	445,872
Other commission fees	195,496	67,183
	(2,358,713)	**(1,901,272)**
4. Net foreign exchange income		
Income from foreign exchange trading	4,991,626	3,037,209
Losses on foreign exchange differences	(458,217)	(948,708)
	4,533,409	**2,088,501**
5. Other operating income		
Gain on disposal of assets	602,057	184,893
Other income	-	1,482
	602,057	**186,375**
6. Impairment charges on financial assets		
Impairment charge on loans and advances raised during the year	8,302,388	2,186,639
Impairment (release)/charge on investment securities	(327,760)	77,282
Impairment release on amounts due from other banks	(94,119)	(263,421)
Impairment charge on other assets	421,879	126,932
Impairment charge/(release) on guarantees and off-balance sheet items	285,003	(183,521)
Impairment charge on interest for stage 3 impaired loans	1,981,930	2,183,116
Recoveries on previously written off loans	(2,793,759)	(1,492,403)
Suspended interest recovered	-	(153,543)
	7,775,562	**2,481,081**
7. Employee benefits		
Salaries and wages	15,648,135	14,600,284
Bonus accrual	3,465,000	1,432,265
Contributions to Rwanda Social Security Board	1,161,545	1,095,235
Medical expenses	968,339	1,063,351
Other staff costs*	574,367	704,910
	21,817,386	**18,896,045**
Other staff costs relate to the amortization on the benefit arising from the low-interest rate employee loans.		
8. Other operating expenses		
Software licenses	3,280,421	4,602,541
IT related costs	2,369,365	1,608,064
Repairs and maintenance	2,177,788	1,257,157
Travel and accommodation	980,681	685,413
Other professional fees	814,330	596,967
Board sitting allowances	797,085	663,776
Utilities	775,068	872,032
Printing, stationery and office supplies	714,306	890,253
Security expenses	688,188	709,360
Other operating expenses	676,512	246,160
Insurance costs	588,749	346,895
Marketing expenses	521,418	441,608
Statutory fees	519,429	527,318
Communication expenses	449,319	587,606
Cash in transit	444,713	433,425
Management fees	416,171	179,433
Operational losses	339,302	171,066
Archive services	335,939	162,866
Cleaning	321,267	296,476
Legal expenses & litigations	298,772	243,656
Cost on cheque books	284,929	408,969
Audit fees	232,694	124,343
Fine and penalties	209,023	-
Subscriptions	202,500	306,061
Donations	172,364	90,380
Staff training	168,076	192,568
Vehicle operating expenses	38,247	44,592
Projects and integration	-	39,951
Recoveries on overprovision for past years accruals*	(2,845,094)	(2,618,011)
	15,971,562	**14,110,925**

*Recoveries on overprovision for the past years relate to overprovision made in 2023 and 2022 on power accruals, legal provisions and IT repair and maintenance accruals.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements

	2024 Frw'000	2023 Frw'000
9. Depreciation and amortisation		
Depreciation charge on property and equipment (Note 18)	4,171,320	3,531,895
Amortisation of intangible assets (Note 17)	2,047,095	1,276,630
Depreciation charge on right-of-use assets (Note 19)	1,603,151	2,059,779
	7,821,566	**6,868,304**
10. Income tax expense		
Current income tax charge	13,007,494	10,894,431
Deferred income tax charge (Note 26 a)	406,104	1,088,330
	13,413,598	**11,982,761**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Income tax expense (continued)

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

	Effective Tax rate	2024 Frw'000	Effective tax rate	2023 Frw'000
Profit before income tax		43,088,342		37,878,533
Tax calculated at the statutory income tax rate of 28% (2023: 29.403%)	28.00%	12,064,736	29.403%	11,137,425
Tax effect of:				
Non- deductible expenses	11.85%	5,105,073	7.98%	3,022,143
Tax exempt income	(9.66%)	(4,162,314)	(8.62%)	(3,265,039)
Prior year under provision for deferred income tax	0.94%	406,103	2.87%	1,088,232
Income tax in the statement of comprehensive income	**31.63%**	**13,413,598**	**31.63%**	**11,982,761**

*On 13 September 2023, the Rwandan corporate income tax rate was reduced from 30% to 28%. For the year ended 31 December 2023, Rwanda Revenue Authority recommended to use the weighted average corporate income tax rate (29.403%) to compute the tax charge.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

11. Cash and balances with National Bank of Rwanda	2024 Frw'000	2023 Frw'000
(a) Cash on hand		
Cash on hand	30,454,316	14,831,613
	30,454,316	**14,831,613**
(b) Balances with National Bank of Rwanda		
Balances with the National Bank of Rwanda	67,448,371	36,936,672
Expected credit losses	(8,701)	(150,508)
	67,439,670	**36,786,164**
Movement in expected credit losses is as follows:		
At beginning of the year	(150,508)	-
Additions	-	(150,508)
Write back during the year	141,807	-
At end of the year	**(8,701)**	**(150,508)**

All balances with the National Bank of Rwanda were classified as stage 1 (2023: stage 1).

12. Amounts due from banks	2024 Frw'000	2023 Frw'000
Placements with local banks	115,810	2,303
Balances with foreign banks	36,950,519	23,952,113
	37,066,329	**23,954,416**
ECL on placements with local banks	-	(102,577)
ECL on placements with foreign banks	(108,845)	(100,387)
Expected credit losses	(108,845)	(202,964)
Net balances due from other banks	**36,957,484**	**23,751,452**
Movement in expected credit losses is as follows:		
Expected credit losses		
At beginning of the year	(202,964)	-
Additions	-	(202,964)
Release during the year	94,119	-
At end of the year	**(108,845)**	**(202,964)**
Maturity profile of amounts due from banks:		
Maturing as follows:		
Current accounts	33,001,665	18,134,534
Within 90 days from the date of acquisition	-	2,851,308
Within 91 days to 1 year from the date of acquisition	3,955,819	2,765,610
	36,957,484	**23,751,452**

All amounts due from other banks were classified as stage 1 (2023: stage 1).

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

13. Derivatives	2024 Frw'000	2023 Frw'000
Swap receivable from National Bank of Rwanda	6,917,885	9,479,482
Swap payable to National Bank of Rwanda	(5,136,775)	(7,706,357)
Accrued interest receivable	62,619	13,076
Accrued interest payable	(184,021)	(619,800)
	1,659,708	**1,166,401**

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

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

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

14. Debt instruments at amortised cost	2024 Frw'000	2023 Frw'000
Treasury bills issued by the Government of Rwanda	87,797,127	70,441,520
Treasury bonds issued by the Government of Rwanda	76,088,757	69,237,752
Development Bank of Rwanda sustainability linked bond (BRD SLT)	1,800,900	1,800,900
Accrued interest receivable	4,942,475	4,821,963)
	170,629,259	**146,302,135**
Loss allowances on treasury bills	(126,428)	(212,027)
Loss allowances on treasury bonds	(231,504)	(467,600)
Loss allowances on BRD SLT	(5,605)	(11,670)
Expected credit loss on securities	(363,537)	(691,297)
	170,265,722	**145,610,838**
Movement expected credit losses		
At beginning of the year	(691,297)	-
Additions	-	(691,297)
Release during the year	327,760	-
At end of the year	**(363,537)**	**(691,297)**
Maturing as follows:		
Within 90 days from the date of acquisition	26,943,163	26,205,847
Within 91 days to 1 year from the date of acquisition	67,613,233	47,009,258
After 1 year, but within 5 years	27,099,918	26,433,561
After 5 years	48,972,945	46,653,469
	170,629,259	**146,302,135**

All debt instruments at amortised cost were classified as stage 1 (2023: stage 1).

Treasury bonds have a maturity period of between 3 years and 18 years with effective interest rate of 12.2% per annum (2023: 12.71% per annum). The effective rate for treasury bills is 8% per annum (2023: 9.83% per annum). The BRD SLT was issued in 2023 by the Development Bank of Rwanda. It matures in 2030 and has an effective interest rate of 12.85%.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

15. Loans and advances	2024 Frw'000	2023 Frw'000
a) Net loans and advances		
Corporate	365,855,531	317,305,929
Mortgage	103,763,479	105,171,206
Retail	185,747,697	178,724,182
	655,366,707	**601,201,317**
IFRS alignment adjustments*:		
Low interest loans		
Corporate	(8,204,469)	(8,566,231)
Mortgage	(3,804,940)	(114,323)
Retail	(2,288,616)	(5,125,017)
Effective Interest impact of negotiation fees	(2,215,315)	-
Effective interest on stage 3 loans	1,981,930	2,183,116
Gross loans and advances	**640,835,297**	**589,578,862**
Credit loss allowances		
Corporate	(6,426,807)	(2,557,075)
Mortgage	(3,329,447)	(2,870,631)
Retail	(8,449,362)	(9,218,568)
Provision for interest receivable on stage 3 loans	(1,981,930)	(2,183,116)
Total credit loss allowances for loans and advances	**(20,187,546)**	**(16,829,390)**

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

15. Loans and advances
b) Gross loans
Movements in gross loans and advances are as follows

Loans and advances	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2024				
At start of year	**512,019,857**	**65,536,412**	**12,022,593**	**589,578,862**
- transfers from stage 1	(93,440,888)	74,369,777	19,071,111	-
- transfers from stage 2	14,241,159	(33,753,071)	19,511,912	-
- transfers from stage 3	1,132,115	3,275,950	(4,408,065)	-
New financial assets originated or purchased	277,664,715	-	-	277,664,715
Loans derecognized	(171,825,052)	(46,884,151)	(7,699,077)	(226,408,280)
	27,772,049	**(2,991,495)**	**26,475,881**	**51,256,435**
At end of year	**539,791,906**	**62,544,917**	**38,498,474**	**640,835,297**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Loans and advances	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**385,901,712**	**71,129,919**	**17,242,295**	**474,273,926**
- transfers from stage 1	(23,990,277)	10,592,674	13,397,603	-
- transfers from stage 2	2,790,573	(3,565,573)	775,000	-
- transfers from stage 3	550,220	1,931,244	(2,481,464)	-
New financial assets originated or purchased	214,739,907	-	-	214,739,907
Loans derecognized	(67,972,278)	(14,551,852)	(16,910,841)	(99,434,971)
	126,118,145	**(5,593,507)**	**(5,219,702)**	**115,304,936**
At end of year	**512,019,857**	**65,536,412**	**12,022,593**	**589,578,862**

Corporate loans and advances
Movements in gross loans and advances are as follows

Loans and advances	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2024				
At start of year	**261,696,844**	**51,826,996**	**3,782,089**	**317,305,929**
- transfers from stage 1	(38,099,307)	31,705,751	6,393,556	-
- transfers from stage 2	8,742,690	(16,736,094)	7,993,404	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	145,043,104	-	-	145,043,104
Loans derecognized	(59,877,431)	(33,369,808)	(3,246,263)	(96,493,502)
	55,809,056	**(18,400,151)**	**11,140,697**	**48,549,602**
At end of year	**317,505,900**	**33,426,845**	**14,922,786**	**365,855,531**

Loans and advances	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**162,220,013**	**53,971,643**	**6,462,623**	**222,654,279**
- transfers from stage 1	(18,140,082)	6,902,265	11,237,817	-
- transfers from stage 2	2,306,128	(2,398,319)	92,191	-
- transfers from stage 3	516,596	1,227,379	(1,743,975)	-
New financial assets originated or purchased	160,171,619	-	-	160,171,619
Loans derecognized	(45,377,430)	(7,875,972)	(12,266,567)	(65,519,969)
	99,476,831	**(2,144,647)**	**(2,680,534)**	**94,651,650**
At end of year	**261,696,844**	**51,826,996**	**3,782,089**	**317,305,929**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Mortgages
Movements in gross loans and advances are as follows

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

Loans and advances	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**89,700,555**	**5,893,451**	**4,870,869**	**100,464,875**
- transfers from stage 1	(1,740,803)	1,351,040	389,763	-
- transfers from stage 2	66,180	(131,331)	65,151	-
- transfers from stage 3	15,240	183,936	(199,176)	-
New financial assets originated or purchased	8,431,250	-	-	8,431,250
Loans derecognized	(2,124,451)	(1,420,352)	(180,116)	(3,724,919)
	4,647,416	**(16,707)**	**75,622**	**4,706,331**
At end of year	**94,347,971**	**5,876,744**	**4,946,491**	**105,171,206**

Retail loans and advances
Movements in gross loans and advances are as follows

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

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Retail loans and advances (Continued)

Loans and advances	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**133,981,144**	**11,264,825**	**5,908,803**	**151,154,772**
- transfers from stage 1	(4,109,392)	2,339,369	1,770,023	-
- transfers from stage 2	418,265	(1,035,923)	617,658	-
- transfers from stage 3	18,384	519,929	(538,313)	-
New financial assets originated or purchased	57,759,493	-	-	57,759,493
Loans derecognized	(20,470,397)	(2,255,528)	(7,464,158)	(30,190,083)
	33,616,353	**(432,153)**	**(5,614,790)**	**27,569,410**
At end of year	**167,597,497**	**10,832,672**	**294,013**	**178,724,182**

15. Loans and advances
c) Impairment provisions
Movements in gross loans and advances are as follows

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

Credit loss allowances	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**6,660,107**	**2,052,104**	**4,565,987**	**13,278,198**
- transfers from stage 1	(2,806,231)	1,310,314	1,495,917	-
- transfers from stage 2	1,384,739	(1,733,310)	348,571	-
- transfers from stage 3	292,619	584,866	(877,485)	-
New financial assets originated or purchased	1,574,633	2,398,577	7,531,045	11,504,255
Loans derecognized	(2,535,743)	(3,225,713)	(2,191,607)	(7,953,063)
	(2,089,983)	**(665,266)**	**6,306,441**	**3,551,192**
At end of year	**4,570,124**	**1,386,838**	**10,872,428**	**16,829,390**

Notes to the financial statements (continued)

15. Loans and advances (continued)
c) Impairment provisions
Movements in gross loans and advances are as follows

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

Corporate loans ECL	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**2,201,659**	**831,519**	**1,308,296**	**4,341,474**
- transfers from stage 1	(876,831)	242,538	634,293	-
- transfers from stage 2	620,679	(693,754)	73,075	-
- transfers from stage 3	205,871	311,035	(516,906)	-
New financial assets originated or purchased	563,590	890,000	134,293	1,587,883
Loans derecognized	(1,580,147)	(752,720)	(1,039,415)	(3,372,282)
	(1,066,838)	**(2,901)**	**(714,660)**	**(1,784,399)**
At end of year	**1,134,821**	**828,618**	**593,636**	**2,557,075**

c) Impairment provisions
Movements in gross loans and advances are as follows

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

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

c) Impairment provisions (continued)

Movements in gross loans and advances are as follows

Mortgage loans ECL	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**1,167,661**	**155,421**	**678,045**	**2,001,127**
- transfers from stage 1	(232,478)	151,403	81,075	-
- transfers from stage 2	20,354	(80,310)	59,956	-
- transfers from stage 3	68,513	70,703	(139,216)	-
New financial assets originated or purchased	44,124	4,210	1,055,711	1,104,045
Loans derecognized	(15,454)	(148,015)	(71,072)	(234,541)
	(114,941)	**(2,009)**	**986,454**	**869,504**
At end of year	**1,052,720**	**153,412**	**1,664,499**	**2,870,631**

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

Retail loans ECL	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**3,290,789**	**1,065,163**	**2,579,645**	**6,935,597**
- transfers from stage 1	(1,696,922)	916,373	780,549	-
- transfers from stage 2	743,706	(959,246)	215,540	-
- transfers from stage 3	18,235	203,128	(221,363)	-
New financial assets originated or purchased	966,919	1,504,367	4,157,925	6,629,211
Loans derecognized	(940,142)	(2,324,978)	(1,081,120)	(4,346,240)
	(908,204)	**(660,356)**	**3,851,531**	**2,282,971**
At end of year	**2,382,585**	**404,807**	**6,431,176**	**9,218,568**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

(a) Other financial assets

	2024 Frw'000	2023 Frw'000
Clearing and transit accounts	1,313,953	9,294,834
Other receivables*	444,468	1,350841
Gross other financial assets	**1,758,421**	**10,645,675**
Expected credit losses on other financial assets	(696,629)	(218,294)
	1,061,792	**10,427,381**

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

Movements in gross loans and advances are as follows

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

	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**10,427,406**	**218,294**	**2,850**	**10,648,550**
- transfers from stage 1	(3,407,556)	456,375	2,951,181	-
- transfers from stage 2	-	-	-	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	1,370,673	-	-	1,370,673
Loans derecognized	(1,373,548)	-	-	(1,373,548)
	(3,410,431)	**456,375**	**2,951,181**	**(2,875)**
At end of year	**7,016,975**	**674,669**	**2,954,031**	**10,645,675**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

(a) Other financial assets

Impairment movements in other financial assets are as follows

	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2024				
At start of year	**-**	**218,294**	**-**	**218,294**
- transfers from stage 1	(478,335)	-	478,335	-
- transfers from stage 2	-	(218,294)	218,294	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	478,335	-	-	478,335
Loans derecognized	-	-	-	-
	-	**(218,294)**	**696,629**	**478,335**
At end of year	**-**	**-**	**696,629**	**696,629**

	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2023				
At start of year	**-**	**-**	**-**	**-**
- transfers from stage 1	(218,294)	218,294	-	-
- transfers from stage 2	-	-	-	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	218,294	-	-	218,294
Loans derecognized	-	-	-	-
	-	**218,294**	**-**	**218,294**
At end of year	**-**	**218,294**	**-**	**218,294**

(b) Other non-financial assets

	2024 Frw'000	2023 Frw'000
Prepayments	2,808,707	3,895,193
Unamortized low interest staff benefit	3,793,702	2,765,790
Inventory	70,571	116,633
	6,672,980	**6,777,616**
Impairment provision	(1,516,872)	(2,184,178)
	5,156,108	**4,593,438**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

(a) Other financial assets (continued)

Movement analysis for impairment provision:

Expected credit losses	2024 Frw'000	2023 Frw'000
At beginning of the year	2,184,178	-
Additions	-	2,184,178
Write back during the year	(667,306)	-
At end of the year	1,516,872	2,184,178

17. Intangible assets

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

Year ended 31 December 2023	Software Frw '000	Work in progress Frw '000	Total Frw '000
Cost			
At beginning of the year	14,607,446	3,112,914	17,720,360
Additions	1,577,293	962,725	2,540,018
Transfer to property and equipment*	4,075,639	(4,075,639)	-
At end of the year	**20,260,378**	**-**	**20,260,378**
Accumulated amortisation			
At beginning of the year	(10,965,223)	-	(10,965,223)
Charge for the year	(1,276,630)	-	(1,276,630)
At end of the year	(12,241,853)	-	(12,241,853)
Net book value at end of the year	**8,018,525**	**-**	**8,018,525**

Transfer to property and equipment relates to a computer hardware that had been wrongly classified as computer software.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

18 Property and equipment

Year ended 31 December 2024	Land Frw '000	Buildings Frw '000	Computer equipment Frw'000	Motor Vehicles Frw'000	Equipment, furniture & fittings Frw'000	Leasehold improvements Frw'000	Work in progress Frw '000	Total Frw '000
Cost								
At beginning of the year	560,367	22,387,522	16,623,783	1,051,553	12,625,588	6,912,778	135,303	60,296,894
Additions	-	209,508	2,037,166	92,516	510,754	886,991	1,463,991	5,200,926
Disposals	(25,450)	(216,714)	-	(314,783)	-	-	-	(556,947)
Reclassifications	-	93,694	(9,445,372)	-	9,451,963	-	(100,285)	-
Transfer from intangibles	-	-	35,656	-	-	-	-	35,656
At end of the year	**534,917**	**22,474,010**	**9,251,233**	**829,286**	**22,588,305**	**7,799,769**	**1,499,009**	**64,976,529**
Accumulated depreciation								
At beginning of the year	-	(6,681,609)	(13,555,670)	(785,333)	(9,737,052)	(5,917,554)	-	(36,677,218)
Charge for the year	-	(1,559,595)	(1,773,581)	(75,183)	(494,589)	(268,372)	-	(4,171,320)
Disposals	-	198,715	-	314,784	-	-	-	513,499
Reclassifications	-	-	9,375,689	-	(9,375,689)	-	-	-
At end of the year	**-**	**(8,042,489)**	**(5,953,562)**	**(545,732)**	**(19,607,330)**	**(6,185,926)**	**-**	**(40,335,039)**
Net book value at end of the year	**534,917**	**14,431,521**	**3,297,671**	**283,554**	**2,980,975**	**1,613,843**	**1,499,009**	**24,641,490**

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

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

18 Property and equipment (continued)

Year ended 31 December 2023	Land Frw '000	Buildings Frw '000	Computer equipment Frw'000	Motor Vehicles Frw'000	Equipment, furniture & fittings Frw'000	Leasehold improvements Frw'000	Work in progress Frw '000	Total Frw '000
Cost								
At beginning of the year	890,160	23,041,712	14,081,683	913,512	11,871,939	6,289,934	28,233	57,117,173
Additions	-	-	529,962	295,800	422,579	-	2,298,224	3,546,565
Transfers from works in progress	-	-	2,100,715		-	93,694	(2,194,409)	-
Reclassifications	(159,196)	(476,993)	(88,577)	(140,759)	333,120	529,150	3,255	-
Disposals	(170,597)	(177,197)	-	(17,000)	(2,050)	-	-	(366,844)
At end of the year	**560,367**	**22,387,522**	**16,623,783**	**1,051,553**	**12,625,588**	**6,912,778**	**135,303**	**60,296,894**
Accumulated depreciation								
At beginning of the year	-	(6,055,220)	(12,416,823)	(654,874)	(9,047,662)	(5,389,586)	-	(33,564,165)
Charge for the year	-	(1,060,321)	(1,438,347)	(43,835)	(727,761)	(261,631)	-	(3,531,895)
Reclassifications		204,911	299,500	(88,324)	(149,750)	(266,337)		-
Disposals	-	229,021	-	1,700	188,121	-	-	418,842
At end of the year	**-**	**(6,681,609)**	**(13,555,670)**	**(785,333)**	**(9,737,052)**	**(5,917,554)**	**-**	**(36,677,218)**
Net book value at end of the year	**560,367**	**15,705,913**	**3,068,113**	**266,220**	**2,888,536**	**995,224**	**135,303**	**23,619,676**

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

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

19. Right-of-use assets

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

Year ended 31 December 2024	Leasehold premises Frw '000	Leased equipment Frw '000	Motor vehicles Frw '000	Total Frw '000
Cost				
At beginning of the year	12,223,215	641,322	676,121	13,540,658
Additions	1,007,376	-	353,788	1,594,821
Terminations	(2,310,740)	-	(322,333)	(2,633,073)
Remeasurements	(3,177,978)	-	(35,884)	(3,397,957)
At end of the year	**7,741,873**	**641,322**	**721,254**	**9,104,449**
Accumulated depreciation				
At beginning of the year	(6,713,117)	(363,416)	(421,394)	(7,497,927)
Charge for the year	(1,281,973)	(128,264)	(192,914)	(1,603,151)
Terminations	2,105,482	-	322,333	2,427,815
Remeasurements	1,471,391	-	(5,013)	1,466,378
At end of the year	**(4,418,217)**	**(491,680)**	**(296,988)**	**(5,206,885)**
Net book value at end of the year	**3,323,656**	**149,642**	**424,266**	**3,897,564**

Year ended 31 December 2023	Leasehold premises Frw '000	Leased equipment Frw '000	Motor vehicles Frw '000	Total Frw '000
Cost				
At beginning of the year	11,754,167	641,322	680,550	13,076,039
Additions	2,859,354	-	353,788	3,213,142
Terminations	(3,746,375)	-	(322,333)	(4,068,708)
Remeasurements	1,356,069	-	(35,884)	1,320,185
At end of the year	**12,223,215**	**641,322**	**676,121**	**13,540,658**
Accumulated depreciation				
At beginning of the year	(8,802,014)	(213,774)	(576,008)	(9,591,796)
Charge for the year	(1,732,339)	(128,264)	(199,176)	(2,059,779)
Terminations	3,746,375	-	322,333	4,068,708
Remeasurements	74,861	(21,378)	31,457	84,940
At end of the year	**(6,713,117)**	**(363,416)**	**(421,394)**	**(7,497,927)**
Net book value at end of the year	**5,510,098**	**277,906**	**254,727**	**6,042,731**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

20 Customer deposits

	2024 Frw'000	2023 Frw'000
Current and demand deposits	353,906,189	295,266,087
Term deposits	152,100,087	160,089,063
Savings accounts	68,413,017	52,675,023
	574,419,293	**508,030,173**

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

Interest earning fixed and demand deposits are at fixed interest rates. The average weighted effective interest rates on interest earning deposits for the year ended 31 December 2024 was 6% per annum (2023: 10.28% per annum)

21 Deposits with other banks

	2024 Frw'000	2023 Frw'000
Repurchase agreements with National Bank of Rwanda	-	17,833,364
Money market deposits – local banks	19,822,140	20,006,357
Deposits from local banks	77,904,898	81,843,923
Balances and placements due to foreign banks	6,970,214	1,420,221
	104,697,252	**121,103,865**

Interest earning and demand deposits are at fixed interest rates. The average weighted effective interest rates on interest earning deposits for the year ended 31 December 2024 was 6.3% p.a (2023: 8.32% p.a).

22 Provision for legal claims

	2024 Frw'000	2023 Frw'000
As at 1 January	159,131	913,668
Provision charge during in the year	33,281	76,380
Release of provision during the year	84,441	(2,188)
Payments made during the year	(160,481)	(828,729)
As at 31 December	**116,372**	**159,131**

23 Credit funds

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

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

	2024 Frw'000	2023 Frw'000
As at 1 January	2,710,733	2,691,599
Additional funds received	673,510	1,838,047
Released during the period	(2,192,358)	(1,492,707)
Transfer to dormant accounts	-	(326,206)
As at 31 December	**1,191,885**	**2,710,733**
Socio Economic Inclusion of Refugees and Host Communities	**1,191,885**	**2,710,733**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

24 Borrowings

	Rate p.a	2024 Frw'000	2023 Frw'000
Rwanda Housing Finance Project (RHFP)- BRD	6.00%	8,617,795	5,636,167
Access to Finance for Recovery and Resilience Project - BRD	3.50%	35,025,926	27,481,092
Export Growth Facility (EGF) - BRD	4.00%	6,922,024	7,332,292
Economic Recovery Fund facility - BNR	2.00%	9,742,130	10,828,079
International Financial Corporation (IFC)	11.75%	27,341,870	-
European Investment Bank (EIB)	8.00%	10,735,119	14,686,646
Accrued interest	-	330,253	352,028
Fair valuation adjustments on borrowings received at below market interest rates	-	(7,524,305)	(6,344,949)
		91,190,812	**59,971,355**

	2024 Frw'000	2023 Frw'000
Opening balance	59,971,356	49,897,656
Additional debt	39,312,450	13,327,841
Interest expense	3,111,206	2,342,786
Interest and other borrowing costs paid	(2,451,652)	(2,710,855)
Principal repayments	(7,279,941)	(4,796,412)
Fair value adjustment for below market interest rates	(1,472,607)	1,910,339
Closing Balance	**91,190,812**	**59,971,355**

The above facilities are not secured.

Rwanda Housing Finance Project (RHFP)-BRD

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

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

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

Export Growth Facility

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

Economic Recovery Fund 1 (ERF 1) Facility

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

Notes to the financial statements (continued)

24 Borrowings (continued)

Economic Recovery Fund 2 (ERF 2) Facility

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

European Investment Bank(EIB) facilities

The Bank has two facilities with the EIB. The first facility relates to the East and Central Africa Private Enterprise Finance Facility to fund qualifying private enterprises. The facility was issued in 2019 and has a tenor of 33 months and draws interest at 7.85% per annum. The facility was fully repaid in 2024. The second facility relates to the East Africa Rapid Response Facility to be extended to small and medium sized entities and middle capitalisation entities The facility was disbursed in 2021 and has a tenor of 69 months. It attracts interest at 8% per annum and is uncollateralised.

International Finance Corporation (IFC)

As of the reporting date, The Bank has entered into a borrowing arrangement with IFC with a principal amount of USD 40,000,000. Out of the total borrowing amount of USD 40,000,000, USD 20,000,000 has been disbursed as at 30 December 2024 equivalent to Frw 28,034,800,000. While the facility amount is USD denominated, it is translated into FRW on the date of disbursement and thereafter denominated in FRW. The loan bears an annual interest rate of 11.75% on the outstanding balance and the loan is to support SME and corporate lending. The facility has a 7-year term with a 2-year moratorium, with interest at 11.75% per annum. The facility is uncollateralised.

Net debt comprises borrowings, leases and credit funds. The net debt movements for each of the years are disclosed under Note 24, Note 23 and Note 27 respectively.

		2024 Frw'000	2023 Frw'000
25	**(a) Other financial liabilities**		
	Cash guarantees	2,278,810	1,305,966
	Transit accounts	500,228	1,046,114
	Statutory liabilities	491,716	330,832
	Other payables	352,795	332,143
	Off balance sheet loss allowance	500,026	215,023
		4,123,575	**3,230,078**

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

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

	2024 Frw'000	2023 Frw'000
Expected credit losses		
At beginning of the year	215,023	25,088
Additions	285,003	189,935
Write back during the year	-	-
At end of the year	**500,026**	**215,023**
(b) Other non financial liabilities		
Accrued expenses	6,870,953	3,364,609
Employee liabilities	4,171,454	2,339,306
Unearned ERF benefit	(4,256,055)	(4,551,185)
	6,786,352	**1,152,730**

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

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

26 Income tax

(a) Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 28% (2023: 30%). The movement on the deferred income tax account is as follows:

	2024 Frw'000	2023 Frw'000
As at start of year	859,262	1,947,592
Prior year under provision (Note 10)	15,315	(233,435)
Charge to profit and loss (Note 10)	(421,419)	(854,895)
	453,158	**859,262**

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

Year ended 31 December 2024	1 Jan Frw'000	Current year charge (credit) to profit or loss Frw'000	31 Dec Frw'000
Deferred income tax assets:			
Provisions	4,481,533	753,315	3,728,218
Other temporary differences	619,391	166,233	453,158
	5,100,924	**919,548**	**4,181,376**
Deferred income tax assets:			
Property and equipment	(4,241,662)	(513,444)	(3,728,218)
	859,262	**406,104**	**453,158**

Year ended 31 December 2023	1 Jan Frw'000	Current year charge (credit) to profit or loss Frw'000	31 Dec Frw'000
Deferred income tax assets:			
Provisions	4,601,129	119,596	4,481,533
Other temporary differences	447,701	(171,690)	619,391
	5,048,830	**(52,094)**	**5,100,924**
Deferred income tax assets:			
Property and equipment	(3,101,238)	1,140,424	(4,241,662)
	1,947,592	**1,088,330**	**859,262**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

(b) Prepaid income tax

Balance as at 1 January	3,353,728	6,059,326
Withholding tax paid during the year	1,636,948	866,645
Utilised during the year	(3,936,046)	(3,572,243)
Balance as at 31 December	**1,054,630**	**3,353,728**

(c) Current income tax

Balance as at 1 January	1,424,470	9,843,091
Charge for the year (Note 10)	13,007,494	10,894,431
Paid during the year	(12,100,953)	(19,313,052)
Balance as at 31 December	**2,331,011**	**1,424,470**

27 Lease liability

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

	2024 Frw'000	2023 Frw'000
At the start of the year	6,281,695	3,621,944
Additions during the year	1,300,795	3,213,142
Interest expense (included in finance cost)	315,155	464,127
Terminations in the year	(202,168)	-
Interest payments	(315,155)	(464,127)
Lease payments in the year	(1,244,818)	(2,223,309)
Lease remeasurements	(2,201,556)	1,669,918
At end of year	**3,933,948**	**6,281,695**

Lease liabilities are presented in the statement of financial position as follows:

Current	1,238,994	729,679
Non-current	2,694,954	5,552,016
	3,933,948	**6,281,695**

28 Share capital and share premium

	2024 Frw'000	2023 Frw'000
Authorised share capital (85,000,000 shares with par value of Frw 1,000 (2023: 85,000,000)	85,000,000	85,000,000
Issued and fully paid shares (81,509,050 shares) As at 1 January	81,509,050	81,509,050
Additional shares	-	-
Balance as at 31 December	**81,509,050**	**81,509,050**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

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

	No. of Shares	Par Value - Frw	Value- Frw	%
Individual shareholders (Local)	10,139,969	1,000	10,139,969,000	12.44%
KCB Group Plc	71,369,081	1,000	71,369,031,000	87.56%
TOTAL	**81,509,000**	**1,000**	**81,509,050,000**	**100.00%**

The shareholding structure as at 31 December 2023 was as follows:

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

b) Share Premium

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

	2024 Frw'000	2023 Frw'000
As at 1 January	8,032,565	8,032,565
As at 31 December	**8,032,565**	**8,032,565**

(c) Retained earnings:

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

	2024 Frw'000	2023 Frw'000
As at 1 January	56,301,895	30,406,123
Profit for the year	29,674,744	25,895,772
Dividend provided for	(4,075,453)	-
As at 31 December	**81,901,186**	**56,301,895**

(d) Proposed dividend

The directors proposed a dividend pay-out of 13.7% of the bank's audited net income in respect of the year 2024. The total proposed dividend for the year is therefore Frw 4,075,453,500 (2023: Nil) for ordinary shareholders.

	2024 Frw'000	2023 Frw'000
As at 1 January	-	-
Dividend provided for	4,075,453	-
As at 31 December	**4,075,453**	**-**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

29 Related party transactions

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

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

(a) Transactions and balances with directors

	2024 Frw'000	2023 Frw'000
Deposits from directors	152,928	15,244
Interest expense	(4,027)	-
Loans & advances to directors	8,330,410	11,946,410
Expected credit loss allowance	(34,340)	(85,034)
Interest income	1,321,664	923,299

(b) Transactions and balances with senior management

	2024 Frw'000	2023 Frw'000
Deposits from senior management	46,603	73,211
Interest expense	-	-
Loans and advances to senior management	297,232	396,694
Interest income	26,315	31,938
Benefits expense	2,196,301	2,043,189

Loans and advances to senior management were issued at interest rates of between 7% and 10% and were all performing as at 31 December 2024 and 2023. Therefore, no impairment provisions have been recognised in respect of loans given to related parties (2023: nil).

c) Amounts due from related parties

KCB Bank Kenya Limited	506,987	215,642
KCB Bank Burundi Limited	-	-
KCB Bank Tanzania Limited	-	-
KCB Bank South Sudan Limited	-	-
KCB Bank Uganda Limited	-	-
	506,987	**215,642**

d) Amounts due from related parties

KCB Bank Kenya Limited	4,290,343	1,612,247
KCB Bank Burundi Limited	1,268	14,800
KCB Bank Tanzania Limited	24,589	277,212
KCB Bank Uganda Limited	3,252,557	214,324
	7,568,757	**2,118,583**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

e) Directors' remuneration

Sitting allowances	**416,171**	**663,776**

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

	2024 Frw'000	2023 Frw'000
Cash on hand (Note 11)	30,454,316	14,831,613
Balances with Central Bank of Rwanda (Note 11)	67,439,670	36,786,164
Amount due from banks (Note 12)	36,957,484	23,751,452
Less: placements with a maturity above 90 days at origination	(3,955,819)	(2,765,610)
	33,001,665	20,985,842
Treasury bills with a maturity above 90 days at origination (Note 14)	26,943,163	26,205,847
	157,838,814	**98,809,466**

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

Included within cash and cash equivalents are the cash reserve requirements (CRR) held with the National Bank of Rwanda. Banks are required to maintain a prescribed minimum cash balance with the National Bank of Rwanda that is not available to finance the Bank's day-to-day activities since it is held for depositors. The amount is determined as 5% (2023: 5%) of the average outstanding customer deposits over a cash reserve cycle period of 15 days. As at 31 December 2024, the CRR was Frw 30,650 million (2023: Frw 24,339 million).

Restatement due to incorrect classification of the CRR

During the year, it was discovered that the CRR qualifies to be cash and cash equivalents while it had been excluded in the prior year. The cashflow statement has been restated to reflect this. The impact on the statement of cash flows is summarised below:

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

	As previously stated Frw'000	Adjustment Frw'000	As restated Frw'000
Net cash generated by operating activities	5,390,483	24,338,849	29,729,332
Cash and cash equivalents	**74,470,617**	**24,338,849**	**98,809,466**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

(b) Net cash flow from operating activities

Year ended 31 December:	Note	2024 Frw'000	2023 Frw'000
Cash flows from operating activities			
Profit before income tax		**43,088,342**	**37,878,533**
Adjusted for:			
Amortization of intangible assets	17	2,047,095	1,276,630
Depreciation on property and equipment	18	4,171,320	3,531,895
Amortization of right of use	19	1,603,151	2,059,779
Interest on borrowings		(787,773)	1,948,856
Lease liabilities remeasurement		2,136,837	1,405,123
Right of use remeasurement	6	7,775,562	1,910,341
ECL (borrowings)		(439,297)	(1,911,433)
Cash flows generated by operating activities before changes in operating assets and liabilities		**59,595,237**	**48,099,724**
Changes in operating assets and liabilities:			
- placements		(1,190,209)	(2,765,610)
- loans and advances		(55,673,841)	(93,331,274)
- Changes in derivative		(493,307)	-
- Government securities		(23,805,256)	15,611,476
- other assets		8,827,447	(4,590,563)
- customer deposits		64,624,650	147,266,805
- deposits from financial institutions		(14,642,143)	(36,287,597)
- other liabilities		7,433,660	(15,753,378)
- due to related parties		5,450,174	249,253
- due from related parties		(291,345)	(11,407,513)
- prepaid income tax		2,705,202	2,705,598
- legal claims payable		(42,759)	(754,537)
- Income tax paid	26(c)	(12,100,953)	(19,313,052)
Net cash generated by operating activities		**40,396,557**	**29,729,332**

31. Off balance sheet financial instruments, contingent liabilities and commitments

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

Contingent liabilities

	2024 Frw'000	2023 Frw'000
Guarantees and performance bonds	226,821,485	80,732,753
Letter of credit	17,624,707	9,182,409
Expected credit losses (note 25)	(500,026)	(215,023)
	243,946,166	**89,700,139**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

31. Off balance sheet financial instruments, contingent liabilities and commitments (continued)

Nature of commitments and contingent liabilities

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

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

Legal proceedings

There were a number of legal proceedings outstanding against the Bank as at 31 December 2024. Provisions for these legal claims amounts to Frw 116 million (2023 Frw 159million) at the balance sheet date (Note 21.) The provisions are in respect of certain legal claims brought against the Bank by various stakeholders and are expected to be utilized in 2024. In the opinion of the directors, after taking appropriate legal advice, the outcome of these legal claims is not expected to give rise to any significant loss beyond the amounts provided as at 31 December 2024.

Capital commitments

As at 31 December 2024, the Bank had capital commitments of Rwandan Francs equivalent of Frw 2.0 billion (2023: 849 Frw Million). The directors are confident that future net revenues and funding will be sufficient to cover this commitment.

32. Financial risk management

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

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

(a) Credit risk

The Bank takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Bank by failing to pay amounts in full when due. Credit risk is the most important risk for the Bank's business: management therefore carefully manages the exposure to credit risk. Credit exposures arise principally in lending and investment activities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. Credit risk management and control is centralised in the credit risk management team in the Risk department, which reports regularly to the Board of Directors.

(i) Credit risk measurement

(a) Loans and advances (including commitments and guarantees)

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

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Bank reflects three components (i) the 'probability of default' by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Bank derives the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

Probability of default

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty.

For regulatory purposes and for internal monitoring of the quality of the loan portfolio, all the customers are segmented into five rating classes as shown below:

Description of the grade	Days in arrears	Regulatory rating	Bank's rating
Performing	0 – 29	1	1
Watch	30 – 89	2	2
Substandard	90 – 179	3	3
Doubtful	180 - 365	4	3
Loss	366 - 730	5	3

Exposure at default

Exposure at default is based on the amounts the Bank expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, the Bank includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur.

Notes to the financial statements (continued)

Financial risk management (continued)

(a) Credit risk (Continued)

Loss given default

Loss given default or loss severity represents the Bank's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to annual or more frequent review. Limits on the level of credit risk by product, and industry sector are approved annually by the Board of Directors. The Board of Directors also approve individual borrower limits above specified amounts.

(ii) Risk limit control and mitigation policies

The exposure to any one borrower including banks is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over properties;

- Charges over business assets such as premises, plant and equipment; and

- Charges over financial instruments such as receivables.

- Corporate guarantees

Longer-term finance and lending to corporate entities are generally secured.

(b) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are cash collateralised and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(iii) Impairment and provisioning policies

The impairment allowance shown in the statement of financial position at year end is derived from each of the five internal rating grades. The bank determines the impairment provision on loans and advances to customers as estimated credit loss over a period of 12 months for Stage 1 and lifetime expected losses for stage 2 and 3.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Financial risk management (continued)

(a) Credit risk (Continued)

(iii) Impairment and provisioning policies (Continued)

Total exposure to credit risk

	2024 Frw'000	2023 Frw'000
Balances with National Bank of Rwanda	67,439,670	36,786,164
Amounts due from banks	36,957,484	23,751,452
Loans and advances to customers	620,647,751	572,749,472
Debt instruments at amortised cost	170,265,722	145,610,838
Other financial assets	1,061,792	10,427,381
Off-balance sheet items - Guarantees	243,946,166	89,700,139
	1,140,318,585	**879,025,446**

The above table represents the worst-case scenario of credit risk exposure to the Bank as at 31 December 2024 and 2023, without taking account of any collateral held or other credit enhancements attached. For on-statement of financial position assets, the exposures set out above are based on carrying amounts as reported on the statement of financial position.

Loans and advances to customers are secured by collateral in the form of charges over land and buildings and/or plant and machinery or corporate guarantees.

(iv) Financial risk review

Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For Financial guarantee contracts, the amounts in the table represent the amounts guaranteed.

Loans and advances to customers at amortised cost

2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	POCI Frw'000	Total Frw'000
Gross loans					
Corporate	308,902,647	31,896,894	16,183,921	-	356,983,462
Mortgage	82,210,638	11,140,307	6,948,325	-	100,299,270
Retail	148,678,621	19,507,716	15,366,228	-	183,552,565
Total	**539,791,906**	**62,544,917**	**38,498,474**	**-**	**640,835,297**
Corporate	(1,799,897)	(223,188)	(5,114,899)	-	(7,137,984)
Mortgage	(600,107)	(139,149)	(3,008,493)	-	(3,747,749)
Retail	(2,582,860)	(587,993)	(6,130,960)		(9,301,813)
	(4,982,864)	**(950,330)**	**(14,254,352)**	**-**	**(20,187,546)**
Carrying amount	**534,809,042**	**61,594,587**	**24,244,122**	**-**	**620,647,751**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Financial risk management (continued)

(a) Credit risk (Continued)

(iv) Financial risk review (Continued)

Loans and advances to customers at amortised cost

2023	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	POCI Frw'000	Total Frw'000
Gross loans					
Corporate	255,888,376	49,558,407	5,039,628	-	310,486,411
Mortgage	92,253,879	5,619,505	6,591,193	-	104,464,577
Retail	163,877,602	10,358,500	391,772	-	174,627,874
Total	**512,019,857**	**65,536,412**	**12,022,593**	**-**	**589,578,862**
Expected credit losses					
Corporate	(1,134,821)	(828,618)	(742,782)	-	(2,706,221)
Mortgage	(1,052,720)	(153,412)	(2,082,690)	-	(3,288,822)
Retail	(2,382,585)	(404,807)	(8,046,955)		(10,834,347)
	(4,570,126)	**(1,386,837)**	**(10,872,427)**	**-**	**(16,829,390)**
Carrying amount	**507,449,731**	**64,149,575**	**1,150,166**	**-**	**572,749,472**

Financial guarantee contracts

2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Gross exposure	244,424,044	17,948	4,200	244,446,192
Expected credit losses	(494,783)	(1,043)	(4,200)	(500,026)
Carrying amount	**243,929,261**	**16,905**	**-**	**243,946,166**

Financial guarantee contracts

2023	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Gross exposure	87,644,405	2,227,608	43,149	89,915,162
Expected credit losses	(171,874)	-	(43,149)	(215,023)
Carrying amount	**87,472,531**	**2,227,608**	**-**	**89,700,139**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Debt instruments at amortized cost

	2024 Frw'000	2023 Frw'000
Gross exposure	170,629,259	146,302,136
Expected credit losses	(363,537)	(691,298)
	170,265,722	**145,610,838**

The expected credit losses have been arrived at by reference to the Government of Rwanda external credit ratings. The issuers are the National Bank of Rwanda and the Development Bank of Rwanda which are both government institutions.

Balances with National Bank of Rwanda

	2024 Frw'000	2023 Frw'000
Balances with the National Bank of Rwanda	67,448,371	36,936,672
Expected credit losses	(8,701)	(150,508)
	67,439,670	**36,786,164**

Placements with other banks

	2024 Frw'000	2023 Frw'000
Amounts due from banks	37,066,329	23,954,416
Expected credit losses	(108,845)	(202,964)
	36,957,484	**23,751,452**

The expected credit losses have been arrived at by reference to the banks' external credit ratings.

Other financial assets	2024			
	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	Total Frw'000
Gross amount	249,927	811,865	696,629	1,758,421
Expected credit losses	-	-	(696,629)	(696,629)
Carrying amount	**249,927**	**811,865**	**-**	**1,061,792**

Other financial assets	2024			
	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	Total Frw'000
Gross amount	7,016,975	674,669	2,954,031	10,645,675
Expected credit losses	-	(218,294)	-	(218,294)
Carrying amount	**7,016,975**	**456,375**	**2,954,031**	**10,427,381**

All financial guarantees contracts, government bonds and treasury bills and placements with National Bank of Rwanda and other banks are included in stage 1 category in 2024 and 2023.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
Collateral held and other credit enhancements

The Bank holds collateral and other credit enhancements against certain of its credit exposures.
The following table sets out the principal types of collateral held against different types of financial assets.

31 December 2024 Frw'000	Maximum exposure to credit risk	Cash	3rd party/gov guarantees	Property	Other	Total collateral	Net exposure	Associated ECL
Financial assets								
Balances with National Bank of Rwanda	67,448,371	-	-	-	-	-	67,448,371	(8,701)
Deposits with other banks	37,066,329	-	-	-	-	-	37,066,239	(108,845)
Debt instruments at amortised cost	170,629,259	-	-	-	-	-	170,629,259	(363,537)
Loans and advances to customers								-
- Corporate	356,983,461	530,000	99,025,900	156,722,472	177,057,692	433,336,064	(76,352603)	(7,137,984)
- Mortgage	100,299,271	493,582	3,033,293	209,764,546	3,174,713	216,466,134	(116,166,863)	(3,747,749
- Retail	183,552,565	2,644,396	17,224,958	232,205,799	26,080,019	278,155,172	(94,602,607)	(9,301,813)
	640,835,297	**3,667,978**	**119,284,151**	**598,692,817**	**206,312,424**	**927,957,370**	**(287,122,073)**	**(20,187,546)**
Balances due from related parties	506,987	-	-	-	-	-	506,987	-
Other financial assets	1,758,421	-	-	-	-	-	1,758,421	(696,629)
Total financial assets at amortised cost	**918,244,664**	**3,667,978**	**119,284,151**	**598,692,817**	**206,312,424**	**927,957,370**	**(9,712,706)**	**(21,365,258)**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
Collateral held and other credit enhancements (continued)

The Bank holds collateral and other credit enhancements against certain of its credit exposures.
The following table sets out the principal types of collateral held against different types of financial assets.

31 December 2024 Frw'000	Maximum exposure to credit risk	Cash	3rd party/gov guarantees	Property	Other	Total collateral	Net exposure	Associated ECL
Derivative	1,659,708	-	-	-	-	-	1,659,708	-
Total financial assets at FVTPL	**1,659,708**	**-**	**-**	**-**	**-**	**-**	**1,659,708**	**-**
Total financial assets at FVTOCI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	244,446,192	12,538,986	295,540,694	207,997,482	129,684,577	645,761,739	(401,315,547)	(500,026)
	244,446,192	**12,538,986**	**295,540,694**	**207,997,482**	**129,684,577**	**645,761,739**	**(401,315,547)**	**(500,026)**
Total financial assets at amortised cost	**1,162,690,856**	**16,206,964**	**414,824,845**	**806,690,299**	**335,997,001**	**1,573,719,109**	**(411,028,253)**	**(21,865,284)**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
Collateral held and other credit enhancements (continued)

31 December 2023 Frw'000	Maximum exposure to credit risk	Cash	3rd party/gov guarantees	Property	Other	Total collateral	Net exposure	Associated ECL
Financial assets								
Balances with National Bank of Rwanda	36,786,164	-	-	-	-	-	36,786,164	(150,508)
Deposits with other banks	23,954,416	-	-	-	-	-	23,954,416	(202,964)
Debt instruments at amortised cost	146,302,135	-	-	-	-	-	146,302,135	(691,297)
Loans and advances to customers								-
- Corporate	310,486,411	460,968	86,127,789	136,309,390	153,995,950	376,894,097	(66,407,686)	(2,706,221)
- Mortgage	104,464,577	144,438	2,638,207	182,442,741	2,761,207	188,271,448	(83,806,871)	(3,288,822)
- Retail	174,627,874	1,293,576	8,426,042	113,589,590	137,462,488	260,771,697	(86,143,823)	(10,834,347)
	589,578,862	**1,898,982**	**97,192,038**	**432,341,721**	**294,219,645**	**825,937,242**	**(236,358,380)**	**(16,829,390)**
Balances due from related parties	215,642	-	-	-	-	-	215,642	-
Other financial assets	10,645,675						10,645,675	(218,294)
Total financial assets at amortised cost	**807,482,894**	**1,898,982**	**97,192,038**	**432,341,721**	**294,219,645**	**825,937,242**	**(18,454,348)**	**(18,092,453)**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
Collateral held and other credit enhancements (continued)

31 December 2023 Frw'000	Maximum exposure to credit risk	Cash	3rd party/gov guarantees	Property	Other	Total collateral	Net exposure	Associated ECL
Derivative	1,166,401	-	-	-	-	-	1,166,401	-
Total financial assets at FVTPL	**1,166,401**	**-**	**-**	**-**	**-**	**-**	**1,166,401**	**-**
Total financial assets at FVTOCI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial guarantees	89,915,162	10,576,593	3,158,255	74,439,273	52,389,338	32,664,286	162,651,152	(215,023)
	91,081,563	**10,576,593**	**3,158,255**	**74,439,273**	**52,389,338**	**32,664,286**	**163,817,553**	**(215,023)**
Total financial assets at amortised cost	**898,564,457**	**12,475,575**	**100,350,293**	**506,780,994**	**346,608,983**	**858,601,528**	**145,363,205**	**(18,307,476)**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
(iv) Financial risk review (continued)

Amounts arising from ECL (continued)

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with

- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Bank uses two criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;

- qualitative indicators

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

Loans in high-risk industry segments (see the section "Restructuring" below) were assessed for significant increase in credit risk.

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

The Bank then accommodated for different periods depending on the level of risk.

Such restructuring activities may include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

Generally, restructuring is a qualitative indicator of default and credit impairment, and expectations of restructuring are relevant to assessing whether there is a significant increase in credit risk. Following restructuring, a customer needs to demonstrate consistently good payment behavior over a period of time before the exposure is no longer considered to be in default/credit-impaired or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECLs

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. The monitoring typically involves use of the following data..

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Financial risk management (continued)

(a) Credit risk (Continued)

(iv) Financial risk review (Continued)

Corporate Exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files -e.g., audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes	Internally collected data on customer behaviour.	Payment record - this includes overdue status as well as a range of variables about payment ratios
Data from credit reference agencies and press articles	Affordability metrics	Utilisation of the granted limit
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	External data from credit reference agencies, including industry-standard credit scores	Requests for and granting of forbearance
-	-	Existing and forecast changes in business, financial and economic conditions

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The bank collects performance and default information about its credit risk exposures analysed by segment (wholesale and retail) and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the segment. What is considered significant differs for different types of lending, in particular between wholesale and retail segments.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial risk management (Continued)

(b) Financial risk review (continued)

Amounts arising from ECL (continued)

As a general indicator, credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

When days in arrears increase between 29 and 90 days, the Bank's IFRS stages are aligned to the days in arrears as follows;

.

Days in arrears	BNR Credit Classification	IFRS Stages
0 - 29	1	1
30 - 89	2	2
90 - 179	3	3
180 - 365	4	3
366 - 730	5	3

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 29 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument return to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 89 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

On a quarterly basis, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan in accordance with the accounting policy.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Bank renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial risk management (Continued)

(b) Financial risk review (continued)

Amounts arising from ECL (continued)

made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Bank Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1. .

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for certain retail exposures, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are Banked on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- Loan to value ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. This is done by taking into account forecasted economic conditions by applying both expert judgement and also deploying models that link the performance of the macro economy to the probability of default (PD) exposure at default (EAD), and loss given default (LGD). Forecasts are developed using a probability weighted scenario-based approach to ensure that the asymmetry of the various economic outcomes is captured in the estimation of ECL.

The Bank has concluded that three (3) scenarios appropriately capture the non-linearities. The three scenarios that were applied as at 31 December 2024 are:

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
(iv) Financial risk review (continued)

- Base line scenario;
- Upside scenario;
- Downside scenario

A base case is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with the available macro-economic information. External information considered includes economic data and forecasts published by governmental.

The scenario probability weightings applied in measuring ECL are as follows.

	31 December 2024				31 December 2023		
	Upside	Base	Downside		Upside	Base	Downside
Scenario probability weighting	3.21%	76.79%	20.00%		3.21%	76.79%	20.00%

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses

The scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the scenarios multiplied by the associated scenario weighting above. The Bank measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

Sensitivity analysis

The most significant assumptions affecting the ECL allowance are as follows:

(i) Collateral haircuts, and

(ii) Period to recovery of collateral

Set out below are the changes to the ECL as at 31 December 2024 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Bank's economic variable assumptions.

Time to realization: The directors have assumed a time to realization of 2 years both for commercial properties and 2 years for residential properties. If time to realisation increased to 3 years, overall ECL would increase in the range of Frw 1.7 million and Frw 3.6 billion.

Collateral haircuts: The directors have assumed collateral haircuts of 50% for commercial and 70% residential properties on the open market values of these properties to arrive at the forced sale values.

The detailed force sale values haircuts are tabulated below:

Collateral Type	31 December 2023
Cash	0%
Business Assets	70%
Government Securities	0%
Residential Property/Mortgage	30%
Local Bank Guarantees	0%
Foreign Bank Guarantees	0%
Stock	70%
Others	70%
Commercial Property/Mortgage	50%
Motor Vehicle/Machines	70%

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearity within the loan portfolio to establish that the chosen scenarios are appropriately representative of the range of possible scenarios. A comprehensive review is performed at annually on the design of the scenarios by experts that advises the Bank senior management.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This will be reviewed and monitored for appropriateness on an annual basis.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, borrower retention and other factors not related to a current or potential credit

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

deterioration of the borrower. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Bank renegotiates loans to borrowers in financial difficulties to maximise collection opportunities and minimise the risk of default. Under the Bank Credit policy, loan restructuring is granted on a selective basis if the borrower is currently in default or if there is a high risk of default, there is evidence that the borrower made all reasonable efforts to pay under the original contractual terms and the borrower is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments, and amending the terms of loan covenants. Both retail and corporate loans are subject to the credit policy on restructuring. The Bank's Credit Committee regularly reviews reports on restructured loans activities.

For financial assets modified as part of the Bank's restructuring credit policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar restructuring action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, restructuring is a qualitative indicator of a significant increase in credit risk and an expectation of restructuring may constitute evidence that an exposure is credit impaired. A borrower needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that it falls within the 12-month PD ranges for the asset to be considered Stage 1.

v) Concentrations of risk

Type of facility	Collateral cover %
Mortgages	100%
Equipment loans	100%
Overdrafts	100%
Consumer loans	61%
Others	100%

Economic sector risk concentrations within the gross customer loans and advances portfolios were as follows:

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
V) Concentrations of risk (continued)

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage3 Frw'000	Total Frw'000
Gross loans				
Corporate	308,902,647	31,896,894	16,183,921	356,983,462
Mortgage	82,210,638	11,140,307	6,948,325	100,299,270
Retail	148,678,621	19,507,716	15,366,228	183,552,565
Total	**539,791,906**	**62,544,917**	**38,498,474**	**640,835,297**

Year ended 31 December 2023	Stage 1 Frw'000	Stage 2 Frw'000	Stage3 Frw'000	Total Frw'000
Gross loans				
Corporate	255,888,376	49,558,406	5,039,628	310,486,411
Mortgage	92,253,879	5,619,505	6,591,193	104,464,577
Retail	163,877,602	10,358,500	391,772	174,627,874
Total	**512,019,857**	**68,536,412**	**9,022,593**	**589,578,862**

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage3 Frw'000	Total Frw'000
Expected credit losses				
Corporate	(1,799,897)	(223,188)	(5,114,899)	(7,137,984)
Mortgage	(600,107)	(139,149)	(3,008,493)	(3,747,749)
Retail	(2,582,860)	(587,993)	(6,130,960)	(9,301,813)
Total	**(4,982,864)**	**(950,330)**	**(14,254,352)**	**(20,187,546)**

Year ended 31 December 2023	Stage 1 Frw'000	Stage 2 Frw'000	Stage3 Frw'000	Total Frw'000
Expected credit losses				
Corporate	(1,134,821)	(828,618)	(8,046,955)	(2,706,221)
Mortgage	(1,052,720)	(153,412)	(2,082,690)	(3,288,822)
Retail	(2,382,585)	(404,807)	(742,782)	(10,834,347)
Total	**(4,570,126)**	**(1,386,837)**	**(10,872,427)**	**(16,829,390)**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
V) Concentrations of risk (continued)

Year ended 31 December 2024	Stage 1 %	Stage 2 %	Stage3 %	Total %
ECL coverage				
Corporate	0.58%	0.70%	31.60%	2.00%
Mortgage	0.73%	1.25%	43.30%	3.74%
Retail	1.74%	3.01%	39.90%	5.07%
Total	**0.92%**	**1.52%**	**37.03%**	**3.15%**

Year ended 31 December 2023	Stage 1 %	Stage 2 %	Stage3 %	Total %
ECL coverage				
Corporate	0.44%	1.67%	159.67%	0.87%
Mortgage	1.14%	2.73%	31.60%	3.15%
Retail	1.45%	3.91%	189.60%	6.20%
Total	**0.89%**	**2.02%**	**120.50%**	**2.85%**

	2024 Frw'000	2023 Frw'000
Personal/household	73,500,634	69,674,649
Real estate	97,820,468	30,722,310
Manufacturing	109,651,724	105,081,056
Building and construction	87,578,498	81,541,288
Trade	122,564,117	107,661,497
Financial services	148,823	20,998
Transport and communication	66,858,548	37,276,025
Tourism, restaurants and hotels	10,152,564	36,407,991
Energy and water	35,479,370	27,147,032
Agriculture	22,952,590	17,648,567
Mining and quarrying	-	656,952
Others (education, social community & others, human health, credit cards and social work activities)	28,659,371	87,362,951
At end of year	**655,366,707**	**601,201,316**

The Bank prevents excessive concentration of exposures to any single sector by setting sector limits. Once a sector limit is reached, lending to that sector ceases. Lending to the sector will only resume once lending to that sector falls below its limit or there are exceptional circumstances. In such instances, approval will be required from the Board Risk Committee.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
V) Concentrations of risk (continued)

b) Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet payment obligations associated with its financial liabilities as they fall due and to replace funds when they are withdrawn.

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The National Bank of Rwanda requires that the Bank maintains a cash reserve ratio. In addition, the Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. The Treasury department monitors liquidity ratios on a daily basis. Sources of liquidity are regularly reviewed by a separate team in the Treasury department to maintain a wide diversification by provider, product and term.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
V) Concentrations of risk (continued)

b) Liquidity risk (continued)

The tables below analyses the Bank's financial liabilities into relevant maturity groupings based on their contractual maturities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 December 2024	Up to 1 month Frw '000	1 - 3 months Frw '000	3 - 12 months Frw '000	1 - 5 years Frw '000	Over 5 years Frw '000	Total Frw '000
Cash in hand and	30,454,316	-	-	-	-	30,454,316
Balances National Bank of Rwanda	67,439,670	-	-	-	-	67,439,670
Balances due from other banks	37,414,272	-	-	-	-	37,414,272
Government securities at amortised cost	7,336,253	20,156,909	74,478,601	36,247,337	109,530,985	247,750,085
Balances due from related parties	-	-	506,987	-	-	506,987
Loans and advances to customers	36,648,602	47,785,964	49,683,064	207,690,845	313,558,231	655,366,706
Other financial assets	-	-	1,758,421	-	-	1,758,421
Total financial assets	**179,293,113**	**67,942,873**	**126,427,073**	**243,938,182**	**423,089,216**	**1,040,690,457**
Balances due to other banks	106,462,452	-	-	-	-	106,462,452
Borrowings	-	-	317,087	15,706,571	133,789,681	149,813,339
Credit funds	-	-	1,191,885	-	-	1,191,885
Customer deposits	101,207,626	124,283,361	214,227,678	224,169,179	-	663,887,844
Other financial liabilities	-	-	7,085,705	-	-	7,085,705
Lease liabilities	-	-	-	-	4,606,962	4,606,962
Balances due to related parties	-	-	7,568,757	-	-	7,568,757
Total financial liabilities	**207,670,078**	**124,283,361**	**230,391,112**	**239,875,750**	**138,396,643**	**940,616,944**
Net liquidity gap	**(28,376,965)**	**(56,340,488)**	**(103,964,039)**	**4,062,432**	**284,692,573**	**100,073,513**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32 Financial risk management (continued)

(a) Credit risk (continued)

V) Concentrations of risk (continued)

b) Liquidity risk (continued)

Movements in provisions for expected credit losses for loans and advances are as follows

As at 31 December 2023	Up to 1 month Frw '000	1 - 3 months Frw '000	3 - 12 months Frw '000	1 - 5 years Frw '000	Over 5 years Frw '000	Total Frw '000
Cash in hand and	14,831,613	-	-	-	-	14,831,613
Balances National Bank of Rwanda	36,936,673	-	-	-	-	36,936,673
Balances due from other banks	20,897,844	-	12,531,973	-	-	33,429,817
Government securities at amortised cost	16,240,157	9,965,690	56,304,281	29,823,986	49,805,530	162,139,644
Balances due from related parties	-	-	215,642	-	-	215,642
Loans and advances to customers	14,752,067	26,755,452	86,049,335	279,072,783	322,354,710	728,984,347
Other financial assets	12,921,934	-	-	-	-	12,921,934
Total financial assets	**116,580,288**	**36,721,142**	**155,101,231**	**308,896,769**	**372,160,240**	**989,459,670**
Balances due to other banks	35,551,985	36,974,064	49,999,895	-	-	122,525,944
Borrowings	625,127	1,250,254	13,218,967	52,875,867	17,184,657	85,154,872
Credit funds			-	2,710,733	-	2,710,733
Customer deposits	65,210,103	76,681,737	185,100,991	205,075,112		532,067,943
Other financial liabilities	-	-	3,230,078	-	-	3,230,078
Lease liabilities	-	-	729,679	-	7,772,820	8,502,499
Balances due to related parties	2,118,583	-	-	-	-	2,118,583
Total financial liabilities	**103,505,798**	**114,906,055**	**252,279,610**	**260,661,712**	**24,957,477**	**756,310,652**
Net liquidity gap	**13,074,490**	**(78,184,913)**	**(97,178,379)**	**48,235,057**	**347,202,763**	**233,149,018**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial Risk Management (Continued)

Market risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing the return on risk. Overall responsibility for managing market risk rests with the Management Assets and Liabilities Committee (MALCO). The Treasury department is responsible for the development of detailed risk management policies (subject to review and approval by MALCO) and for the day-to-day implementation of those policies.

(i) Currency risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2024 and 2023. Included in the table are the Bank's financial instruments, categorised by currency:

The Bank had the following significant foreign currency positions (all amounts expressed in thousands of Rwandan Francs):

As at 31 December 2024	USD Frw '000	GBP Frw '000	EURO Frw '000	OTHER Frw '000	Total Frw '000
Financial assets					
Cash in hand	17,941,659	759,472	74,436	142,045	18,917,612
Balances with National Bank of Rwanda	12,154,758	2,598,659	56,231	246,007	15,055,655
Amounts due from banks	25,770,782	3,219,443	320,917	4,031,501	33,342,643
Other assets	8,819,778	627	-	5,502	8,825,907
Loans and advances to customers	77,454,404	21,499	85	150	77,476,138
Total financial assets	**142,141,381**	**6,599,700**	**451,669**	**4,425,205**	**153,617,955**
Financial liabilities					
Deposit from customers	153,281,011	6,566,504	594,879	27,427	160,469,821
Deposits from banks	3,166,358	-	-	1,376	3,167,734
Other liabilities	4,212,187	13,004	36,670	4,249,519	8,511,380
Total financial liabilities	**160,659,556**	**6,579,508**	**631,549**	**4,278,322**	**172,148,935**
Net position	**(18,518,175)**	**20,192**	**(179,880)**	**146,883**	**(18,530,980)**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)
32 Financial risk management (continued)
(a) Credit risk (continued)
V) Concentrations of risk (continued)

b) Liquidity risk (continued)

As at 31 December 2023	USD Frw '000	GBP Frw '000	EURO Frw '000	OTHER Frw '000	Total Frw '000
Financial assets					
Cash and balances with National Bank of Rwanda	42,485,905	808,820	6,086,184	877,508	50,258,417
Amounts due from banks	1,846,136	-	4,010	7,948	1,858,094
Other financial assets					-
Loans and advances to customers	72,137,470	90	20,528	89	72,158,177
Total financial assets	**116,469,511**	**808,910**	**6,110,722**	**885,545**	**124,274,688**
Financial liabilities					
Deposit from customers	119,488,670	748,630	6,044,050	116,970	126,398,320
Deposits from banks	1,119,453	-	-	13,421	1,132,874
Other financial liabilities	1,937,888	47,280	46,650	195,830	2,227,648
Total financial liabilities	**122,546,011**	**795,910**	**6,090,700**	**326,221**	**129,758,842**
Net position	**(6,076,500)**	**13,000**	**20,022**	**559,324**	**(5,484,154)**

The table below shows the foreign exchange rate risk sensitivity of the Bank's reported profit to a change in exchange rates at the year-end date, assuming all other variables remain unchanged. The sensitivity represents the directors' assessment of a reasonably possible change, based on historic volatility. Foreign exchange rate risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The symmetric basis assumes that an increase or decrease in foreign exchange movement would result in the same amount.

	2024 Frw'000	2023 Frw'000
10 basis points	(185,310)	(54,842)
50 basis points	(926,549)	(274,208)
100 basis points	(1,853,098)	(548,416)

ii) Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily. The tables below summarise the Bank's exposure to interest rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. All figures are in thousands of Rwandan Francs.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial Risk Management (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk

As at 31 December 2024	Average interest rate	Up to 1 month Frw '000	1 - 3 months Frw '000	3 - 12 months Frw '000	1 - 5 years Frw '000	Over 5 years Frw '000	Non-interest bearing Frw '000	Total Frw '000
Cash and Balances with BNR	0.00%	-	-	-	-	-	97,893,986	97,893,986
Balances due from other banks	6.50%	-	4,065,240	-	-	-	33,349,032	37,414,272
Loans and advances to customers	15.78%	36,596,235	47,764,754	49,605,059	207,658,413	313,558,231	184,015	655,366,707
Due from related parties	0.00%	-	-	-	-	-	506,987	506,987
Other assets	0.00%	-	-	-	-	-	1,061,792	1,061,792
Government securities	10.22%	7,265,529	19,677,634	67,613,233	27,099,918	48,972,945	-	170,629,259
Off balance sheet	1.79%	-	-	-	-	-	244,446,193	244,446,193
Total financial assets		**43,861,764**	**71,507,628**	**117,218,29**	**234,758,331**	**362,531,176**	**377,442,005**	**1,207,319,196**
Deposits from banks	8.32%	19,822,870	-	-	-	-	4,968,860	24,791,730
Deposits from customers	4.61%	10,866,123	22,995,390	144,241,555	3,169,339	-	473,052,407	654,324,814
Retirement benefits obligation	7.83%	-	-	-	4,606,962	-	-	4,606,962
Borrowings	0.00%	-	-	-	-	-	1,191,885	1,191,885
Lease liability	0.00%	-	-	-	-	-	14,894,463	14,894,463
Lease liability	8.97%	-	-	260,371	12,089,183	77,865,459	9,008,596	99,223,609
Payables and accrued expenses	0.00%	-	-	-	-	-	7,568,757	7,568,757
Total financial liabilities		**30,688,993**	**22,995,390**	**144,501,926**	**19,865,484**	**77,865,459**	**510,684,968**	**806,602,220**
Interest rate sensitivity gap		**13,172,771**	**48,512,238**	**(27,283,634)**	**214,892,847**	**284,665,717**	**(133,242,963)**	**400,716,976**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial Risk Management (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk

As at 31 December 2024	Average interest rate	Up to 1 month Frw '000	1 - 3 months Frw '000	3 - 12 months Frw '000	1 - 5 years Frw '000	Over 5 years Frw '000	Non-interest bearing Frw '000	Total Frw '000
Cash and Balances with BNR	0.00%	-	-	-	-	-	51,617,777	51,617,777
Balances due from other banks	6.50%	-	33,230,934	-	-	-	-	33,230,934
Loans and advances to customers	15.78%	14,569,943	26,102,880	77,347,717	174,420,490	280,308,444		572,749,474
Due from related parties	0.00%	-	-	-	-	-	215,642	215,642
Other assets	0.00%	-	-	-	-	-	18,823,174	18,823,174
Government securities	10.22%	16,240,157	9,965,690	51,185,710	22,941,528	45,277,754	-	145,610,839
Off balance sheet	1.79%			89,700,139				89,700,139
Total financial assets		**30,810,100**	**69,299,504**	**218,233,566**	**197,362,018**	**325,586,198**	**70,656,593**	**911,947,979**
Deposits from banks	8.32%		-	48,543,587		-	-	48,543,587
Deposits from customers	3.78%	623,448	1,782,765	131,001,449	34,767,555	44,873,632	375,854,681	588,903,530
Retirement benefits obligation	7.83%	-	-	-	6,002,756	-	-	6,002,756
Borrowings	3.55%	-	-	2,693,942	-	-	-	2,693,942
Lease liability	0.00%	-	-	-	-	-	4,415,914	4,415,914
Lease liability	8.97%	-	-	-	59,971,355	-	-	59,971,355
Payables and accrued expenses	0.00%	-	-	-	-	-	2,118,583	2,118,583
Total financial liabilities		**623,448**	**1,782,765**	**182,238,978**	**100,741,666**	**44,873,632**	**382,389,178**	**712,649,667**
Interest rate sensitivity gap		**30,186,652**	**67,516,739**	**35,994,588**	**96,620,352**	**280,712,566**	**(311,732,585)**	**199,298,312**

The above analysis does not consider the impact of future interest on the contractual amounts in assessing the interest rate risk

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial Risk Management (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk (Continued

The management of interest rate risk against the interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios.

Standard scenarios that are considered on a monthly basis include a 100, 50 and 10 basis point (bp) parallel fall or rise in yields.

The following is an analysis of the Banks' sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position.

	2024 Frw'000	2023 Frw'000
10 basis points	166,873	199,298
50 basis points	834,366	996,492
100 basis points	1,668,732	1,992,983

d) Capital management

The primary objective of the Bank's capital management policies and processes is to ensure that the Bank complies with capital requirements and maintains healthy capital ratios in order to support its business and to maximize shareholders' value.

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the National Bank of Rwanda. The National Bank of Rwanda sets and monitors capital requirements for the Banking industry as a whole.

In implementing current capital requirements, the National Bank of Rwanda requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's regulatory capital is analyzed into two tiers:

- Core Capital (Tier 1) capital, which includes ordinary share capital, share premium, retained earnings, after deductions for intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes; and

- Supplementary Capital (Tier 2) includes the revaluation reserve at 25% of the total amount.

Various limits are applied to elements of the capital base.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Notes to the financial statements (continued)

d. Capital management (continued)

The Bank's regulatory capital position as at 31 December was as follows:

	2024 Frw'000	2023 Frw'000
Core Capital (Tier 1):		
Ordinary share capital	81,509,050	81,509,050
Share premium	8,032,565	8,032,565
Retained earnings/(losses)	85,976,639	43,354,010
Regulatory adjustment on IFRS 9 adoption	(4,075,453)	-
Deductions		
- Deferred income tax asset	(453,158)	(859,262)
- Intangible assets	(7,681,131)	(8,018,525)
Total Tier 1 Capital	**163,308,512**	**124,017,838**
Supplementary Capital (Tier 2):		
Revaluation reserve	-	-
Total Tier 2 Capital	-	-
Total capital	163,308,512	124,017,838
Risk weighted assets	**774,766,355**	**566,195,423**
Capital		
Total capital expressed as a percentage of total risk-weighted assets	21.08%	21.90%
Core capital expressed as a percentage of total risk-weighted assets	21.08%	21.90%

The minimum capital funds unimpaired by losses of a licensed Bank shall, at any one time, not be less than Rwandan Francs five billion. Unless a higher minimum ratio has been set by the Central Bank for an individual Bank, every Bank, shall, at all time, maintain a total capital ratio of 15% of its total weighted assets of which at least 12.5% is core capital or as prescribed by the Central Bank in the case of Systemically Important bank.

(e) Fair values

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation models

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

1. Management of capital

e) Fair values (continued)

in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. The Bank does not hold any level 3 financial instruments .

Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist.

Valuation techniques include net present value and discounted Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received by selling the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Financial instruments not measured at fair value, where the carrying value is estimated to approximate the fair value of these instruments, were as follows:

i. Cash and short-term funds

Placements with other banks include inter-bank placements and items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity. All placements are fixed rate placements

ii. Loans and advances

The fair value of loans and advances is deemed to closely approximate the carrying value. This is due to most of the instruments included in this classification being market rate instruments. The impact of fixed rate exposures has been assessed and is deemed to be immaterial. The value of variable rate instruments is determined with reference to the estimated future cash flows discounted back at the market rate prevailing for such instruments.

iii. Government securities and other bonds

Government securities and other bonds include only interest-bearing assets at amortized cost.

iv. Derivatives

The fair value of derivatives is deemed to closely approximate the carrying value. This is due to most of the instruments included in this classification being market rate instruments

v. Deposits; borrowed funds and intercompany payables

The estimated fair value of deposits borrowed funds and creditors and accruals with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using contractual interest rates and the remaining maturity. The majority of deposits and other borrowings are at fixed rates, or when at fixed rates, fixed for less than three months.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial risk management (continued)

(e) Fair values (continued)

Valuation hierarchy

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 December 2024	FVOCI Frw'000	FVTPL Frw'000	At amortised cost Frw'000	Total Frw '000	Level 1 Frw '000	Level 2 Frw '000	Level 3 Frw '000	Total Frw '000
Financial assets								
Balances with National Bank of Rwanda	-	-	67,439,670	67,439,670	67,439,670	-	-	67,439,670
Deposits with other banks	-	-	36,957,484	36,957,484	36,957,484	-	-	36,957,484
Amortised cost investments	-	-	170,629,259	170,629,259	-	170,629,259	-	170,629,259
Loans and advances to customers	-	-	620,647,751	620,647,751	-	620,647,751	-	620,647,751
Balances due from related parties	-	-	506,987	506,987	-	506,987	-	506,987
Derivative	-	1,659,708	-	1,659,708	-	1,659,708	-	1,659,708
Other financial assets	-	-	1,626,536	1,626,536	-	1,626,536	-	1,626,536
Total assets		**1,659,708**	**897,807,687**	**899,467,395**	**104,397,154**	**795,070,241**	**-**	**899,467,395**
Balances due to other Banks	-	-	104,697,252	104,697,252	-	104,697,252	-	104,697,252
Customer deposits	-	-	574,419,293	574,419,293	-	574,419,293	-	574,419,293
Other financial liabilities	-	-	5,290,833	5,290,833	-	5,290,833	-	5,290,833
Balances due to related parties	-	-	7,568,757	7,568,757	-	7,568,757	-	7,568,757
Long term borrowing	-	-	91,190,812	91,190,812	-	91,190,812	-	91,190,812
Credit funds	-	-	1,191,885	1,191,885	-	1,191,885	-	1,191,885
Total financial liabilities	**-**	**-**	**784,358,832**	**784,358,832**	**-**	**784,358,832**	**-**	**784,358,832**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial risk management (continued)

(e) Fair values (continued)

Valuation hierarchy

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 December 2023	FVOCI Frw'000	FVTPL Frw'000	At amortised cost Frw'000	Total Frw '000	Level 1 Frw '000	Level 2 Frw '000	Level 3 Frw '000	Total Frw '000
Balances with National Bank of Rwanda	-	-	36,786,164	36,786,164	36,786,164	-	-	36,786,164
Deposits with other banks	-	-	23,751,452	23,751,452	23,751,452	-	-	23,751,452
Amortised cost investments	-	-	145,610,838	145,610,838	-	145,610,838	-	145,610,838
Loans and advances to customers	-	-	572,749,472	572,749,472	-	572,749,472	-	572,749,472
Balances due from related parties	-	-	215,642	215,642	-	215,642	-	215,642
Derivative	-	1,166,401	-	1,166,401	-	1,166,401	-	1,166,401
Other financial assets	-	-	10,691,276	10,691,276	-	10,691,276	-	10,691,276
Total assets		**1,166,401**	**789,804,844**	**790,971,245**	**60,537,616**	**730,433,629**	**-**	**790,971,245**
Balances due to other Banks	-	-	121,103,865	121,103,865	-	121,103,865	-	121,103,865
Customer deposits	-	-	508,030,173	508,030,173	-	508,030,173	-	508,030,173
Other financial liabilities	-	-	3,230,078	3,230,078	-	3,230,078	-	3,230,078
Balances due to related parties	-	-	2,118,583	2,118,583	-	2,118,583	-	2,118,583
Long term borrowing	-	-	59,971,355	59,971,355	-	59,971,355	-	59,971,355
Credit funds	-	-	2,710,733	2,710,733	-	2,710,733	-	2,710,733
Total financial liabilities	**-**	**-**	**697,164,787**	**697,164,787**	**-**	**697,164,787**	**-**	**697,164,787**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial Risk Management (Continued)

(e) Fair values (continued)

The valuation hierarchy, and types of instruments classified into each level within that hierarchy, is set out below:

	Level 1	Level 2	Level 3
Fair value determined using	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly market observable inputs	Valuation models using significant non-market observable inputs
Types of financial assets	Actively traded government and other agency securities. Listed derivative instruments Listed equities	Corporate and other government bonds and loans. Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters. Corporate bonds in illiquid markets.
Types of financial liabilities	Listed derivative instruments	Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value:

The following tables show the breakdown of carrying amounts and fair values of financial assets and financial liabilities by class and category of financial instrument measured at amortised cost. All these financial instruments are in level 2 and are carried at amortized cost.

2024	FVOCI Frw '000	FVTPL Frw '000	Carrying amount Frw '000	Fair Value Frw '000
Assets				
Balances with National Bank of Rwanda	-	-	67,439,670	67,439,869
Deposits with other banks	-	-	37,414,272	37,414,272
Amortised cost investments	-	-	170,265,722	170,265,722
Loans and advances to customers	-		620,647,751	620,647,751
Balances due from related parties	-	-	506,987	506,987
Other financial assets	-	-	1,061,792	1,061,792
Total financial assets	**-**	**-**	**897,336,194**	**897,858,691**
Assets				
Balances due to other Banks	-	-	106,461,722	106,461,722
Customer deposits	-	-	572,654,823	572,654,823
Other financial liabilities	-	-	3,824,222	3,824,222
Balances due to related parties	-		7,568,757	7,568,757
Long term borrowing	-	-	91,190,812	91,190,812
Credit funds	-	-	1,191,885	1,191,885
Total financial liabilities	**-**	**-**	**782,892,221**	**782,892,221**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

32. Financial Risk Management (Continued)

e) Fair values (continued)

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value:

The following tables show the breakdown of carrying amounts and fair values of financial assets and financial liabilities by class and category of financial instrument measured at amortised cost. All these financial instruments are in level 2 and are carried at amortized cost.

2024	FVOCI Frw '000	FVTPL Frw '000	Carrying amount Frw '000	Fair Value Frw '000
Assets				
Balances due to other Banks	-	-	51,617,777	51,617,777
Customer deposits	-	-	33,230,934	33,230,934
Other financial liabilities	-	-	145,610,838	145,610,838
Balances due to related parties	-		572,749,472	572,749,472
Long term borrowing	-	-	215,642	215,642
Credit funds	-	-	2,250,256	2,250,256
Total financial assets	**-**	**-**	**805,674,919**	**805,674,919**
Assets				
Balances due to other Banks	-	-	48,543,587	48,543,587
Customer deposits	-	-	588,903,531	588,903,531
Other liabilities	-	-	3,133,592	3,133,592
Balances due to related parties	-		2,118,583	2,118,583
Long term borrowing	-	-	59,971,355	59,971,355
Credit funds	-	-	2,693,942	2,693,942
Total financial liabilities	**-**	**-**	**705,364,590**	**705,364,590**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

33 Reporting entity

BPR Bank Rwanda Plc (the 'Bank') is domiciled in the Republic of Rwanda. The Bank's registered office is at:

BPR Bank Rwanda Plc

P.O Box 1348

KN 67 ST 2

Kigali

Rwanda

The Bank's core business is commercial banking.

34 Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards and the IFRS interpretation committee interpretations, and Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

35 Functional and presentation currency

These financial statements are presented in Rwanda Franc (Frw), which is the company's functional and presentation currency.

In preparing the financial statements, transactions in currencies other than the Bank's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

36 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the year is set out in the following notes;

Note 17 - Property and Equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as under note 17. Freehold land is not depreciated as it is deemed to have an indefinite life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Bank policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Expected credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 32.(a). (iv), which also sets out key sensitivities of the ECL to changes in these elements.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Several significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward looking scenarios for each type of product/market and the associated ECL; and
- Establishing Banks of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by BPR Plc in the above areas is set out in note 32. (a). (iv).

Note 26 – Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of branch network, management considered the following:

With the transformation project having commenced, the business model for the Bank will be impacted and projecting beyond a five-year planning period has uncertainties as to the Bank exercising its extension options.

As at 31 December 2024, potential future cash outflows of Frw 1.35 billion (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease term by a further two years to reflect the effect of exercising extension options would be an increase in recognised lease liabilities and right-of-use assets of Frw 1.980 billion and 1.578 billion respectively.

37 Summary of material accounting policies

(a) Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan.

Other fees and commissions expense relate mainly to transaction and service fees which are expenses as they are received.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not include multiple performance obligations.

When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

Performance obligations satisfied over time include letters of credit and performance guarantees, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

(b) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' or 'interest expense' in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest that was used to discount the future cash flows for the purpose of measuring the impairment loss.

(c) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(d) Financial assets and liabilities

Measurement methods

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Measurement methods (continued)

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets — assets that are credit-impaired at initial recognition — the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets

(ii) Classification and subsequent measurement

BPR Plc classifies its financial assets in the following measurement categories:

- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below: Debt instruments.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

(i) The Bank's business model for managing the asset; and

(ii) The cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

Business model: The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a Bank of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the Net trading income' line in the statement of profit or loss.

(i) Impairment

The Bank assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 32. (a). (iv) provides more detail of how the expected credit loss allowance is measured.

(ii) Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy which applies for corporate and retail lending.

When a financial asset is modified the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Bank considers the following:

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

(ii) Classification and subsequent measurement (continued)

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or when rights to cash flows between the original counterparties expire because a new debtor replaces the original debtor (unless both debtors are under common control), the extent of change in interest rates, and maturity. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 10% the Bank deems the arrangement is substantially different leading to derecognition. When performing a quantitative assessment of a modification or renegotiation of a credit-impaired financial asset or a purchased or originated credit-impaired financial asset that was subject to a write-off, the Bank considers the expected (rather than the contractual) cash flows before modification or renegotiation and compares those with the contractual cash flows after modification or renegotiation.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition.

The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated- credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par-amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- The remaining lifetime PD at the reporting date based on the modified terms.

Note 32. (a). (iv) provides more detail of how the expected credit loss allowance is measured.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forborne loan is credit impaired due to the existence of evidence of credit impairment (see above), the Bank performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit impaired. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Bank calculates the modification loss by comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Modification losses for financial assets are included in the profit or loss account in 'Losses on modification of financial assets. Then the Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

(iii) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash

flows from the assets have expired, or when they have been transferred and either (i) The Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Bank retains a subordinated residual interest.

(iv) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

Financial liabilities at fair value through profit or loss: this classification is applied to derivatives. Gains or losses on derivatives are recognised in profit or loss.;

- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Bank recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

(v) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. the Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

(e) Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including: notes and coins on hand, unrestricted balances deposited with the National Bank of Rwanda and highly liquid assets, subject to insignificant risk of changes in their fair value.

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

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

(f) Property and equipment

(i) Initial recognition and measurement

An item of property, plant and equipment are initially recorded at cost which includes all costs necessary to bring the asset to working condition for its intended use. This includes not only its original purchase price but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site. Where purchased software is integral to the functionality of the related equipment, it is capitalized as part of that equipment. If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. In case of deferred payment for an item of property, plant, and equipment, interest at a market rate is recognized as part of the asset cost.

(ii) Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

(iv) Depreciation

Freehold land is not depreciated. Depreciation on other assets is calculated on the straight-line basis to allocate their cost less their residual values over their estimated useful lives, as follows:

Buildings	50 years
Refurbishments	10 years
Fixtures, fittings and equipment	10 years
Motor vehicles and motorcycles	4 years
IT equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

The Bank assesses at each reporting date whether there is any indication that any item of property and equipment is impaired. If any such indication exists, the Bank estimates the recoverable amount of the relevant assets. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Banked at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit/loss.

(f) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three years).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank, are recognised as intangible assets, when the following criteria have been met:

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised over their estimated useful lives, not exceeding five years.

(g) Income tax expense

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Bank measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

(g) Income tax expense (continued)

are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Deferred income tax in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Bank is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the Bank has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed when the customer has the right to direct the identified asset's use and to obtain substantially its economic benefits from that use.

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. The Bank determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate

The recognised right-of-use assets relate to the following types of assets:

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

	31 December 2024 Frw'000	1 January 2024 Frw'000
Leasehold premises	3,323,656	5,510,098
Leased equipment	149,642	277,906
Leased motor vehicles	424,266	254,727
Total	**3,897,564**	**6,042,731**

(j) Employee benefits

(i) Retirement benefit obligations

The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Bank's contributions to the defined contribution schemes are charged to the statement of comprehensive income in the year in which they fall due.

(ii) Other entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the Statement of financial position date is recognised as an expense accrual.

(k) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

(l) Dividends payable

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

(m) Guarantees

Guarantees are accounted for as off Statement of financial position transactions and disclosed as contingent liabilities.

(n) Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Bank of units) on a pro-rata basis.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

(i) New and amended standards applicable from 1 January 2024 but do not have a material effect on the Bank

Standard	Effective date	Executive summary
IAmendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	1 January 2024	This amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.
Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)	1 January 2024	The amendment clarifies a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.
Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)	1 January 2024	This amendment improves the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.
Amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements (issued in May 2023)	1 January 2024	The amendment address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

None of the new or amended standards that are effective for the first time for the financial year beginning on 1 January 2024 have a material impact on the Bank.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Measurement methods (continued)

(ii) New and amended standards issued but not yet effective

The Bank has not applied the following new and revised IFRS Standards which have been issued but are not yet effective:

Standard	Effective date	Executive summary
Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)	1 January 2025	This amendment help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.
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 ammendments: • Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial 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).
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 Standards listed above will have a material impact on the financial statements of the company in future periods.

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

39 Custody services

The Bank offers custody services to customers trading on the Rwanda Stock Exchange. Customers' investments in the capital markets are managed separately from the Bank's assets and investments. As at 31 December, the Bank was in custody of certificates of titles of custody customers' investments with following values;

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Government Bonds	107,259,000	84,876,669
Cash	10,222,330	5,677,053
Fixed Deposits	10,000,000	6,200,000
Equities	86,274,988	91,488,529
Corporate Bond	4,170,300	2,932,716
Treasury bills	130,000	-
Total Asset	**218,056,619**	**191,174,967**

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Other Regulatory Disclosures

Other Regulatory Disclosures	**31 Dec 24 Frw'000**	**31 Dec 23 Frw'000**
I. Capital Strength		
a) Core capital (Tier 1)	163,308,512	124,017,748
b) Supplementary capital (Tier 2)	-	-
c) Total capital	163,308,512	124,017,748
d) Total risk weighted assets	774,766,355	566,195,423
e) Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	21.08%	21.90%
f) Tier 2 ratio	-	-
g) Total capital/total risk weighted assets ratio	21.08%	21.90%
h) Leverage Ratio	13.75%	13.35%
II. Credit risk		
1. Total gross credit risk exposure: after accounting offsets and without taking into account credit risk mitigation	1,072,101,866	837,893,717
2. Average gross credit exposure, broken down by major types of credit exposure:		
a) Loans, commitments, and other non-derivatives off-balance sheet exposure	899,812,899	691,116,478
b) Debt securities	170,629,259	145,610,838
c) OCT derivatives	1,659,708	1,166,401
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;	**Loans & Commitments**	**Loans & Commitments**
a) Kigali	929,415,324	714,354,390
b) Northern Region	25,288,519	24,788,216
c) Southern Region	44,914,412	32,279,959
d) Eastern Region	35,100,432	35,162,105
e) Western Region	37,383,179	31,309,047
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated:	**Loans & Commitments**	**Loans & Commitments**
a) Government	172,288,967	146,777,239
b) Financial	148,823	-
c) Manufacturing	109,651,724	105,589,272
d) Infrastructure and construction	154,437,046	118,817,313
e) Services and Commerce	196,828,315	199,639,587
f) Others	194,300,798	177,155,144
5. Off-balance sheet items	244,446,193	89,915,162
6. Non-performing loans indicators		
a) Non-performing loans (NPL)	35,498,474	23,938,926
b) NPL ratio	5.42%	3.98%

BPR Bank Rwanda Plc
Financial Statements
For the Year Ended 31 December 2024

Other Regulatory Disclosures

Other Regulatory Disclosures	31 Dec 24 Frw'000	31 Dec 23 Frw'000
7. Related parties		
a) Loans to Directors, shareholders and subsidiaries	13,003,523	11,946,410
b) Loan to employees	14,126,459	12,833,845
8. Restructured loans as at 31 December		
a. No. of borrowers	385	736
b. Amount outstanding (Frw '000)	56,670,317	58,263,380
c. Provision thereon (Frw '000) (regulatory):	1,413,357	1,528,086
d. Restructured loans as % of gross loans	8.65%	9.70%
III. Liquidity Risk		
a) Liquidity Coverage Ratio	206.84%	237.65%
b) Net Stable Funding Ratio	229.19%	180.28%

IV. Operational risk	Number	31 Dec 24 Frw'000	Number	31 Dec 23 Frw'000
a) Fraud cases	8	72,998	8	109,924
b) Forged documents	39	359,441	1	30,771
c) Account Manipulation	-	-	2	1,555
d) Error	-	-	1	2,000
e) Corruption	8	72,998	1	500

V. Market risk	31 Dec 24 FRW'000	31 Dec 23 FRW'000
a) Interest rate risk	-	-
b) Equity position risk	-	-
c) Foreign exchange risk	28,874,734	16,126,408
VI. Country Risk		
a) Credit exposure abroad	-	-
b) Other asset held abroad	33,342,643	20,694,875
c) Liabilities to abroad	12,500,233	1,961,906
VII. Management and board composition		
a) Number of Board members	8	7
b) Number of independent Directors	5	4
c) Number of non-independent Directors	3	3
d) Number of female Directors	3	2
e) Number of male Directors	5	5
f) Number of senior managers	14	15
g) Number of female senior managers	4	4
h) Number of male senior managers	10	11