DEVELOPMENT BANK OF RWANDA PLC

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31st MARCH 2025

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Directors

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

Names	Position	Date of appointment	Nationality
Mr. Bobby Jene Pittman	Chairman	1 July 2020	American
Mr. Callixte Nyilindekwe	Vice Chairman	1 July 2020	Rwandese
Ms. Alice Rwema	Non-Executive Director	1 July 2020	Rwandese
Ms. Angelique Karekezi	Non-Executive Director	1 July 2020	Rwandese
Mr. Joseph Mudenge	Non-Executive Director	1 July 2020	Rwandese
Mr. Emmanuel Habineza	Non-Executive Director	6 July 2023	Rwandese
Mr. Ghislain Nkeramugaba	Non-Executive Director	1 July 2020	Rwandese
Ms. Stella Nteziryayo	Non-Executive Director	1 July 2020	Rwandese
Ms Louise Kanyonga Ingabire	Non-Executive Director	20 February 2023	Rwandese

Company Secretary & General Council

Gloria TENGERA
Development Bank of Rwanda Limited
KN3 Ave, Kigali
P.O. Box 1341
Kigali, Rwanda

Auditor

Ernst & Young Rwanda Ltd
Certified Public Accountants
Makuza Plaza - 6th Floor.
KN4 Ave, Kigali
P.O. Box 3638
Kigali - Rwanda

Registered office & principal place of business

Development Bank of Rwanda Building
KN3 Ave, Kigali
P.O. Box: 1341
Kigali, Rwanda.

Lawyers	Address	
Kigali Allied Advocates	Po. Box 675	Kigali - Rwanda
Me. Bimenyimana Eric	PO. Box 4067	Kigali - Rwanda
Fountain Advocates	PO. Box 6368	Kigali - Rwanda
Me. Kazeneza Theophile	PO. Box 1635	Kigali - Rwanda
Me. Rwigema Vincent	PO Box 2653	Kigali - Rwanda
Paradise Law Chambers	PO. Box 4637	Kigali - Rwanda
RR Associates	PO. Box 1104	Kigali - Rwanda
Rukangira Law Firm	PO. Box 7097	Kigali - Rwanda
Ensafrica Rwanda ltd	P.O. Box 6571	Kigali - Rwanda
K-Solutions & Partners ltd	P.O. Box 4062	Kigali - Rwanda
Equity Juris Chambers ltd	KG 566 St 14	Kigali - Rwanda
Certa Law Chambers ltd	P.O. Box 1341	Kigali - Rwanda
CM Advocates	P.O. Box 493	Kigali - Rwanda
Trust Law Chambers ltd	P.O. Box 6679	Kigali - Rwanda
Landlab Law Firm ltd	Ikaze House (Ground Floor), KN11,Av	Kigali - Rwanda

The Directors submit their report together with the reviewed condensed financial statements for the three months period ended 31st March 2025, which disclose the state of affairs of Development Bank of Rwanda Plc ("BRD" or "the Bank").

Incorporation

Development Bank of Rwanda Plc (BRD) is a Public Limited Liability Company created by the law on August 5, 1967. However, pursuant to Law No. 14/2011 of 30/05/2011, BRD ceased to be governed by an Act of Parliament and changed into a Public Company limited by shares in accordance with the previous Law No. 7/2009 relating to companies. BRD is a development finance institution dedicated to becoming "the financier of Rwanda's development".

BRD's vision is "To be an innovative and sustainable provider of development finance for socio-economic impact". For more than 55 years the Bank has been at the forefront of economic development in Rwanda through investment financing in different sectors of the economy.

In its triple role as "Financier, Advisor and Partner", Development Bank of Rwanda (BRD) Plc continues to fund development in the country through direct and indirect investment.

Principal activity

The principal activity of the Bank is development finance lending through direct and indirect equity holdings, or other stocks and granting of short, medium- and long-term loans. The Bank is licensed under the Law nº 044/2024 of 30/05/2024 governing banks.

Results

The results for the year are set out on page 7 of the financial statements.

Dividend

The Directors do not recommend the payment of dividends for the period (2025: Nil).

Directorate

The Directors who served during the year are set out on page 1.

Auditor

Ernst & Young Rwanda Limited was appointed as Auditors of the Bank commencing 2022 in accordance with Regulation no 44/2022 of 02/06/2022 determining requirements and other conditions for Accreditation of external auditors for regulated institutions and have expressed willingness to continue in office.

By order of the Board

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Chairperson

BRD
Development Bank of Rwanda PLC
P.O Box 1341 Kigali - Rwanda

Date: 09/05/2025

The Directors are responsible for the preparation and fair presentation of the condensed interim financial statements of Development Bank of Rwanda (BRD) Plc, as set out on pages **7 to 48**, which comprise the condensed statement of financial position as at 31st March 2025, and the condensed statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the notes to the condensed interim financial statements, which include explanatory notes, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and in the manner required by Law No. 007/2021 of 05/02/2021 Governing companies, and Regulation No. 28/2019 of 09/09/2019on publication by banks of financial statements and other disclosures in Rwanda.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of condensed interim 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 going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The independent auditors are responsible for reporting on whether, based on their review, anything has come to their attention that causes them to believe that the condensed interim financial statements are not prepared in accordance with International Accounting Standards (IAS) 34 and in the manner required by Regulation No. 28/2019 of 09/09/2019 on publication by banks of financial statements and other disclosures in Rwanda.

Approval of interim condensed financial statements

The condensed interim financial statements of Development Bank of Rwanda (BRD) Plc, as identified in the first paragraph, were approved by the Board of Directors on 09/05/ **2025** and were signed on its behalf by:

…………………………………	BRD	…………………………………
Chairperson	Development Bank of Rwanda PLC	**Chief Executive Officer**
Date: 9th May 2025	P.O Box 1341 Kigali - Rwanda	Date: 9th May 2025

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

The Board of Directors

The Board is currently made up of Nine members, all 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 Chief Executive Officer 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 realized. 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 planned strategy, review it in conjunction with its financial performance and approves issues of strategic nature. Specific reviews are also undertaken on operational issues and future planning. At the end of each financial year, the Board reviews itself, Board Committees, Senior Management and Chief Executive Officer against targets agreed in the balanced scorecard 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.

Board Risk Committee

The committee was set up to oversee the Bank's mitigation and appreciation of all risks in the business as well as assets and liabilities matters. It meets quarterly to advise the business on all matters pertaining to credit, market, operational, legal, environmental, and other risks. Business continuity issues are also discussed by this committee.

Board Audit Committee

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

Board Nomination and Remuneration Committee

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

Board Credit Committee

The committee meets quarterly 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 frequency of the meetings has ensured that the needs of the Bank's customers are given timely attention. The committee also reviews the Bank's credit risk appetite and sectorial concentration.

Board IT & Strategy Committee

The Board IT Committee's role is oversight over the Information Technology policies and strategies of the Bank. The Committee also oversees the implementation of the requirements provided in the laws and regulations on cyber security, reviews, approves the Bank's technology planning, strategy, and works in partnership with other board committees and senior management. The Committee is currently composed of three (3) Non-Executive Directors. The committee meets on a quarterly basis or as often as business demands.

Board/ Board Committee attendance

The following table gives the record of attendance at the board meetings and its committees meetings for the three months period ended 31 March 2025

	MAIN BOARD	RISK	AUDIT	CREDIT	NOM REM	IT
Cumulative Meetings held	1	1	1	1	1	1
Bobby Jene PITTMAN	1	1	-	-	1	1
Alice RWEMA	1	1	-	1	1	1
Joseph MUDENGE	1	1	-	-	-	1
Emmanuel HABINEZA	1	-	1	1	1	-
Ghislain NKERAMUGABA	1	-	1	-	1	1
Stella NTEZIRYAYO	1	1	-	1	1	-
Angelique KAREKEZI	1	1	-	1	-	-
Callixte NYILINDEKWE	1	-	1	1	1	-
Louise Ingabire Kanyonga	1	-	-	-	1	1

Management committees

The Board has delegated the management of the business to the Chief Executive Officer together with his management committees. The following management committees are in place to ensure that the Bank carries out its obligation efficiently and effectively.

- Executive Committee (EXCO)
- Management Investment & Credit Committee
- Assets and Liabilities Committee
- Risk Steering Committee
- IT steering and cyber security committee
- Asset disposal committee
- Staff loans and advances committee
- Tender committee

DEVELOPMENT BANK OF RWANDA PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2025

	Note	31 March 2025 Frw' 000	31 March 2024 Frw' 000
Interest revenue calculated using the effective interest method	5	15,925,112	12,571,332
Interest expense calculated using the effective interest method	6	(6,791,846)	(6,673,394)
Net interest income		**9,133,266**	**5,897,938**
Other interest and similar income:			
Fee and commission income	7(a)	533,552	381,879
Fee and commission expense	7(b)	(120,757)	(122,266)
Net fee and commission income		**412,795**	**259,613**
Net foreign exchange losses	8	(856,456)	(921,839)
Other operating income	9	280,834	505,938
Operating income		**8,970,439**	**5,741,650**
Net losses on financial instruments	10	(3,271,546)	(1,789,816)
Gain on derivative instruments at fair value through profit or loss	12	1,176,456	802,484
Remeasurement gain of investment in associates	11	-	-
Amortization of the Government Grant	26	1,388,885	765,131
Net operating income		**8,264,234**	**5,519,449**
Personnel expenses	13	(2,388,126)	(2,090,726)
Depreciation and amortization	23-24	(144,124)	(224,598)
Other operating expenses	14	(802,148)	(849,205)
Profit before Tax		**4,929,836**	**2,354,920**
Income tax expense	15	-	-
Profit for the period		**4,929,836**	**2,354,920**
Other Comprehensive Income:			
Other comprehensive income that will not be reclassified to profit or loss			
Fair value gain (loss) on equity investments at fair value through OCI	30	(716,242)	177,841
Fair value gain on land		-	-
		(716,242)	**177,841**
Other comprehensive income that will be reclassified to the income statement		-	-
Total comprehensive income for the period		**4,213,594**	**2,532,761**

The notes set out on pages 11 to 51 form an integral part of these financial statements.

DEVELOPMENT BANK OF RWANDA PLC
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	31 March 2025	31 Dec 2024
		Frw' 000	Frw' 000
ASSETS			
Cash and cash equivalents	16	237,253,579	207,536,169
Investments at amortised cost	17	31,269,444	30,382,167
Loans and advances	18	484,142,949	476,425,176
Investment in associates	19(a)	11,514,137	11,514,137
Equity investments at fair value through OCI	19(b)	18,634,355	19,350,597
Derivative financial instruments	20	17,700,496	16,403,739
Other assets	21	3,833,778	8,817,299
Non-current assets held for sale	22	250,000	250,000
Intangible assets	23	852,214	277,871
Property and equipment	24	12,035,018	11,958,452
TOTAL ASSETS		**817,485,970**	**782,915,607**
LIABILITIES			
Other payable	25 (i)	27,994,465	29,221,006
Dividends payable	25 (ii)	11,019	11,019
Borrowings	26	393,263,106	376,202,581
Special funds	27	151,628,327	138,474,048
Grants	28	105,125,637	105,757,132
TOTAL LIABILITIES		**678,022,554**	**649,665,786**
EQUITY			
Share capital	29 (a)	78,873,190	76,873,190
Share premium	29 (b)	11,665,569	11,665,569
Other reserves	30	29,654,957	30,371,199
Accumulated profit		19,269,700	14,339,863
TOTAL EQUITY		**139,463,416**	**133,249,821**
TOTAL EQUITY AND LIABILITIES		**817,485,970**	**782,915,607**

The financial statements set out on pages on 7 to 51 were approved and authorized for issue by the Board of Directors on 9th May 2025

BRD
Development Bank of Rwanda PLC
P.O Box 1341 Kigali - Rwanda

Chairman: ______________ **Chief Executive Officer:** ______________

The notes set out on pages 11 to 51 form an integral part of these condensed interim financial statements.

	Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Supplementary Capital Reserve	Accumulated profit/(loss)	Total Equity
	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000
Year ended 31 March 2025							
As at 1 January	76,873,190	11,665,569	11,096,575	7,764,302	11,510,322	14,339,864	133,249,822
Profit for the year	-	-	-	-	-	4,929,836	4,929,836
Fair Value gains on Equity investments at fair value through OCI	-	-	-	(716,242)	-	-	(716,242)
OCI reserve transferred to retained earnings*				-			-
Total Comprehensive income:				**(716,242)**		**4,929,836**	**4,213,594**
Issue of new shares*	2,000,000	-	-	-	-	-	2,000,000
Transfer to special fund Note 15	-	-	-		-		-
As at 31 March	**78,873,190**	**11,665,569**	**11,096,575**	**7,048,060**	**11,510,322**	**19,269,700**	**139,463,416**
Year ended 31 December 2024							
As at 1 January	73,685,690	11,665,569	11,096,575	7,881,047	11,510,322	5,611,394	121,450,597
Profit for the year	-	-	-	-	-	10,477,662	10,477,662
Fair Value gains on Equity investments at fair value through OCI	-	-	-	(91,061)	-	-	(91,061)
OCI reserve transferred to retained earnings*				(25,684)		25,684	-
Total Comprehensive income:				**(116,745)**		**10,503,346**	**10,386,601**
Issue of new shares*	3,187,500	-	-	-	-	-	3,187,500
Transfer to special fund Note 15	-	-	-		-	(1,774,877)	(1,774,877)
As at 31 December	**76,873,190**	**11,665,569**	**11,096,575**	**7,764,302**	**11,510,322**	**14,339,863**	**133,249,821**

The notes set out on pages 11 to 51 form an integral part of these condensed interim financial statements.

DEVELOPMENT BANK OF RWANDA PLC
CONDENSED STATEMENT OF CASHFLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2025

	Note	31 Mar 2025 Frw' 000	31 Dec 2024 Frw' 000
Cash flows from operating activities			
Profit before income tax		4,929,836	10,477,662
Adjustment for:			
Depreciation on property and equipment	24	111,393	667,587
Amortization of intangible assets	23	32,731	103,214
Impairment losses on financial instruments	10	3,225,331	15,086,710
Gain on derivative instruments at fair value through profit or loss	20	(1,176,456)	(4,270,816)
Amortization on Government Grant	26	(1,388,884)	(4,800,643)
Interest expense on Fair Value Adjustments and Modification	26	4,937,887	4,937,887
Gain on disposal of property and equipment		-	(4,165)
Remeasurement gain of investment in associates	11	-	(10,507)
Net foreign exchange losses	8	856,455	3,870,141
Interest accrued on borrowings	26	5,707,359	6,119,071
Cash flows before changes in operating accounts		**14,289,547**	**32,176,141**
Increase in Loans and advances		(10,938,233)	(113,259,059)
Decrease in Other assets		4,978,649	(5,099,011)
Decrease(Increase) in Other payables		(1,226,541)	9,230,163
Increase/(Decrease) in derivative financial instruments		(120,301)	(1,458,023)
Net cash used in operating activities		**6,983,121**	**(78,409,789)**
Cash flows from investing activities			
Purchase of property and equipment	24	(187,959)	(77,930)
Proceeds on disposal of property and equipment		-	1,518,460
Purchase of intangible assets	23	(607,073)	(50,586)
Proceeds on disposal of Equity Investment @FVTOCI	19	-	388,686
Increase in properties held for sale		-	-
Change in investment at amortised cost		(887,277)	(18,065,227)
Net cash flows from investing activities		**(1,682,309)**	**(17,800,892)**
Cash flows from financing activities			
Drawdown of borrowings	26	12,819,763	284,393,628
Repayment of borrowings	26	(3,458,379)	(296,994,264)
Drawdown of special funds	26	13,273,313	141,211,991
Decrease in special funds	26	(119,034)	(14,366,207)
Grants Received	26	1,772,308	12,947,745
Grants used	26	(1,014,918)	(11,751,969)
Additional share capital	29(a)	2,000,000	3,187,500
Net cash flows from financing activities		**25,273,053**	**118,628,424**
Net increase in cash and cash equivalents		**30,573,865**	**29,618,529**
Net foreign exchange difference		**(856,455)**	**(3,870,141)**
Cash and Cash equivalents at 1 January	16	**207,536,169**	**188,988,567**
Cash and Cash equivalents at 31 March	**16**	**237,253,579**	**207,536,169**
Additional information on operational cash flows from interest			
Interest received		10,141,151	53,587,678
Interest Paid		4,593,919	22,951,008

The notes set out on pages 11 to 51 form an integral part of these condensed interim financial statements.

1. Reporting Entity

Development Bank of Rwanda (the "Bank") is a Public Limited Liability Company created by the law of August 5, 1967 with its head office in Kigali, Rwanda. The Bank is primarily a development finance institution dedicated to becoming "the financier of Rwanda's development".
The Bank's principal office address is:

Development Bank of Rwanda Plc
KN3 Ave, Kigali
P.O. Box 1341
Kigali – Rwanda.

2. Basis of Preparation

a) Basis of preparation

The Bank's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the regulation No28/2019 of 09/09/2019 of the National Bank of Rwanda relating to publication of financial statements and other disclosures. The financial statements have been prepared under the historical cost convention, except equity investments at fair value through other comprehensive income, derivative financial instruments, , land and buildings that have been measured at fair value. The financial statements have been presented in Rwandan Francs (**Frw**) rounded off to the nearest thousand (**Frw '000**).

b) Going concern

The Bank's management has assessed the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

c) Use of estimates and judgements

The Bank has made various accounting estimates in these condensed interim financial statements based on forecasts of economic conditions which reflect expectations and assumptions as of 31st March 2025 about future events that the Directors believe are reasonable in the circumstances. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses.
The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

2. Basis of Preparation (Continued)

Use of estimates and judgements (Continued)

The estimates and assumptions are based on the Directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 30.

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Bank regularly reviews its assets and makes judgments in determining whether an impairment loss should be recognised in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Impairment losses on loans and advances

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about the counterparty's financial situation. Each impaired asset is assessed on its merits, and the workout unit estimates of cash flows considered recoverable are independently reviewed by the Management Committee.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well the estimated future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Revaluation of Land and Buildings

The Bank carries its Land and Buildings at fair value, with changes in fair value being recognised in OCI. The land and buildings were valued using direct comparison method and replacement cost method.

3. Material Accounting Policy Information

(a) Recognition of income and expense

i) The effective interest rate method

Under both IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, financial instruments designated at FVPL. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points 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.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Bank recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

3. Significant Accounting Policies (Continued)

ii) Interest and similar income

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cure and are no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

iii) Fees and Commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

Other fees and commission income are recognised as the related services are performed.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

iv) Dividend Income

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities.

v) Other income

Other income comprises of gains and income related to non-trading assets and liabilities and includes all realised and unrealised fair value changes.

b) Property and equipment

Property and equipment are stated at cost or fair value, less accumulated depreciation, and accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 the income statement during the financial period in which they are incurred.

Property and equipment are de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses arising from disposal of an item of property and equipment are determined by comparing the net proceeds from disposal with the carrying amount of the item and is included in the statement of profit or loss when the asset is derecognised.

3. Significant Accounting Policies (Continued)

b) Property and equipment (continued)

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from it carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on the straight-line basis, at annual rates estimated to write off the cost or valuation of the assets over their estimated useful lives. The residual values, useful lives, and methods of depreciation of property, plants and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Management and Directors review the residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the Statement of Comprehensive Income. Management assesses on each reporting date whether there is any indication that any item of property and equipment is impaired. If any such indication exists, Management 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.

Freehold land is not depreciated. Work in progress is stated at cost and not depreciated. Transfer from work in progress is done when then the asset is ready for use. Depreciation on work in progress commences when the assets are ready for their intended use. Depreciation is calculated to write off the cost of the property and equipment on a straight-line basis over the expected useful lives of the assets concerned. The rates for depreciation used are as follows:

Buildings	11% and 8%	Fixture, Fittings & Equipment	25%
Motor Vehicles	20%	Computer Equipment	50%

c) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Acquired computer software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the summarised period or method, as appropriate, and are treated as changes in accounting estimates. The summarised expense on intangible assets with finite lives is summarised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

These costs are amortised over their estimated useful lives (five years).

3. Significant Accounting Policies (Continued)

c) Intangible Assets (continued)

Costs associated with maintaining computer software programs 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:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured,

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

Development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as expense are not recognised as assets in subsequent periods. Computer software development costs recognised as assets are amortised over their estimated useful lives, not exceeding five years.

Intangible assets are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

d) Capital work-in progress

Assets in the course of construction (capital work-in-progress) are not depreciated. Upon completion of the project the accumulated cost is transferred to an appropriate asset category where it is depreciated according to policy.

3. Significant Accounting Policies (Continued)

e) Financial Instruments

A. Initial recognition

i) Recognition and initial Measurement

The Bank initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

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

ii) Classification

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
— the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPL.

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

— the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
— the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

3. Significant Accounting Policies (Continued)

f) Financial Instruments

iii) Classification (Continued)

Financial Assets

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.
All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

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

The Bank's business comprises primarily loans to customers that are held for collecting contractual cash flows. The Bank doesn't sales its loans.

Certain debt securities are held by the Bank in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Bank considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.

Certain other debt securities are held by the Bank in separate portfolios to meet everyday liquidity needs. The Bank seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual cash flows as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The Bank considers that these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3. Significant Accounting Policies (Continued)

f) Financial Instruments (continued)

iii) Classification (continued)

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

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

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

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

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected.

Reclassifications

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

iv) Derecognition

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

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

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Bank retains all or substantially all of the risks and rewards of ownership of such assets.

3. Significant Accounting Policies (Continued)

f) Financial Instruments

v) Derecognition

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial Liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

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

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification.

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

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

3. Significant Accounting Policies (Continued)

f) Financial Instruments

v) Derecognition

Financial liabilities (Continued)

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

Interest rate benchmark reform (policy applied from 1 January 2020)

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Bank updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e., the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Bank first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Bank applies the policies on accounting for modifications set out above to the additional changes.

v) Offsetting

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

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

vi) Fair value measurement

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

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

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

3. Significant Accounting Policies (Continued)

f) Financial Instruments

vi) Fair value measurement (Continued)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of/ the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g., bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature (e.g., a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

vii) Impairment

See also Note 30 A

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

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

No impairment loss is recognised on equity investments

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

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

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

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

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure.

3. Significant Accounting Policies (Continued)

f) Financial Instruments

vii) Impairment (Continued)

Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit impaired.

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

Measurement of ECL

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

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

Restructured financial assets

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

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

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost, debt financial assets carried at FVOCI and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

3. Significant Accounting Policies (Continued)

f) Financial Instruments

vii) Impairment (Continued)

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

In assessing whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors:

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

Presentation of allowance for ECL in the statement of financial position

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

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- *loan commitments and financial guarantee contracts:* generally, as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Write off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.
Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

3. Significant Accounting Policies (Continued)

f) Financial Instruments

viii) Designation at fair value through profit or loss

Financial assets

On initial recognition, the Bank has designated certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, that would otherwise arise.

Equity instruments at FVOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities

The Bank has not designated any financial liabilities as at FVTPL.

ix) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. After initial measurement, borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

x) Financial guarantees, letters of credit and undrawn loan commitments

The Bank issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and – under IFRS9 – the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee, or – under IFRS 9 – an ECL provision. The premium received is recognised in the income statement in Net fees and commission income on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, under IFRS9, a provision was made if they were an onerous contract but, from 1 January 2019, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position.

3. Significant Accounting Policies (Continued)

f) Financial Instruments

xi) Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Bank enters into derivative transactions with various counterparties. These include cross-currency swaps. Derivatives through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

f) Fiduciary assets

The Bank commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Bank.

g) Offsetting

Financial assets and liabilities are only off set, and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to set off the recognised amounts and the Bank intends to either settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standard or for gains and losses arising from a group of similar transactions.

h) Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where the Bank expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

i) Employee benefits

(i) Short term benefits

Short term benefits consist of salaries, bonuses, and any non-monetary benefits such as medical aid contributions and transport allowance. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.
A provision is recognised for the amount expected to be paid under short-term cash bonus if the Bank has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. Significant Accounting Policies (Continued)

***j) Employee benefits* (Continued)**

(ii) Retirement obligations

The Bank and all its employees also contribute to a statutory defined contribution scheme, the Rwanda Social Security Board (RSSB) which is a defined contribution scheme and contributions are determined by local statue and are currently limited to 5% of the employee's gross salary The company's contributions are charged to the statement of profit or loss and other comprehensive income in the period to which they relate.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The Bank's contributions to the scheme are charged to the Statement of Comprehensive Income in the year in which they are made. Costs relating to early retirement are charged to the Statement of Comprehensive Income in the year in which they are incurred.

(iii) Other entitlements

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

j) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with Banks, other short term highly liquid investments with original maturities of three months or less, including: cash and non-restricted balances with the National Bank of Rwanda, Treasury, and other eligible bills, and amounts due from other Banks.

k) Investment Properties

Investment properties comprise land and buildings and parts of buildings held to earn rentals and/or for capital appreciation. They are carried at fair value, determined annually by external independent valuers or management determines the value of the investment property based on relevant assumptions in the market.

Fair value is based on active market prices as adjusted, if necessary, for any difference in the nature, condition, or location of the specific asset.

Investment properties are not subject to depreciation. Changes in their carrying amount between the reporting dates are recorded , through the profit or loss for the year.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefits is expected from the disposal.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss for the year.

3. Significant Accounting Policies (Continued)

l) Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Receipt of a grant does not in itself provide conclusive evidence that the conditions attached to the grant have been or will be fulfilled. Grants received are treated as unexpended grants payable and credited to the statement of comprehensive income when all conditions attached to the grants are met.

When the grant relates to an expense item, (revenue grant) it is recognised as income over periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, (capital grant) it is recognised in the Statement of Comprehensive Income on a systematic basis over the expected useful life of the relevant asset.

m) Special Funds

Special funds are granted by various institutions to fund various schemes. The funds received are recognised as liabilities in the statement of financial position. The specific details are highlighted in Note 27.

n) 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.

o) Dividends

Dividends on ordinary shares are recognised a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Bank and this is when it is authorised and approved by the shareholders. A corresponding amount is recognised directly in equity.

p) Taxation

No provision is made for taxation as the Bank is exempt from income tax.

q) Contingent Liabilities

To meet the financial needs of customers, the Bank enters various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lending. Letters of credit acceptance and guarantees are accounted for as off-balance sheet items and described as contingent liabilities. Estimation of the outcome and financial effect of contingent liabilities is made by management based on the information available up to the date the financial statements are approved for issue by the Directors. Any expected loss is charged to the statement of comprehensive income.

Statement of compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity based on the Bank's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis of regarding recovery or settlement of within 12 months after the reporting date (current) and more than 12 months is presented in note 31

OFF BALANCE SHEET ITEMS]

To meet the financial needs of customers, the Bank enters into various irrevocable commitments consisting of letters of credit and commitments to lend. Even though these obligations may not be recognized in the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank. The nominal values of such commitments are listed below:

	31 March 2025 Frw'000	31 December 2024 Frw'000
Letters of credits issued	1,839,677	3,255,721
Undisbursed loan commitments	69,413,334	69,113,308
	71,253,011	**72,369,029**

r) *Investment in Associates*

Associates are all entities over which the company has significant influence but not control, generally accompanying shareholding of between 25% and 50% of the voting right. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associate are accounted using equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise investors share of profit or loss of the investee after the date of acquisition.

If the ownership interest in associate is reduced but the significant influence is retained, only a proportionate share of amounts previously recognised on other comprehensive income is reclassified to profit or loss where appropriate.

The company's share of post-acquisition profit or loss is recognised in profit or loss and share of post-acquisition movement in other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the company's share of losses in associates equals or exceeds its interest in associate including any other unsecured receivables, the company does not recognise further losses unless it has incurred legal or constructive obligations or net payments on behalf of the associates.

The Bank also designates unquoted investment in associates at fair value and changes in fair value are recorded in the profit and loss.

s) *Non-current assets held for sale.*

At the time of classification as held for sale. Immediately before the initial classification of the asset as held for sale, the Bank measures the carrying amount of the asset in accordance with applicable IFRSs. Resulting adjustments are also recognised in accordance with applicable IFRSs.

After classification as held for sale, the Bank measures the assets or disposal groups that are classified as held for sale are at the lower of carrying amount and fair value less costs to sell (fair value less costs to distribute in the case of assets classified as held for distribution to owners).

Impairment is considered both at the time of classification as held for sale and subsequently.

4. Change in accounting policies and disclosures.

New and amended standards and interpretations.

The Bank has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these financial statements.

The following new or amended standards and interpretations have become effective for financial years beginning on or after 1 January 2023 but do not have impact on the Bank's financial statements:

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:
A specific adaptation for contracts with direct participation features (the variable fee approach)
A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the bank's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Bank's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Bank's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Bank's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Bank's financial statement.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The amendments had no impact on the bank 's financial statements.

NOTES TO THE FINANCIAL STATEMENTS(Continued)

5. Interest and similar Income

Interest income calculated using the effective interest method.

	31 March 2025	31 March 2024
	Frw' 000	Frw' 000
Loans and advances to customers	10,762,389	8,601,786
Placements with Banks	4,225,124	3,440,440
Staff benefit fair value adjustment for year	50,322	159,646
Interest on investments at amortised cost	887,277	369,460
Total interest and similar income	**15,925,112**	**12,571,332**

6. *Interest expenses calculated using the effective interest method.*

	31 March 2025	31 March 2024
	Frw' 000	Frw' 000
Interest expense on borrowed funds in local currency	(5,095,216)	(5,100,381)
Interest expense on borrowed funds in foreign currency	(1,696,630)	(1,573,013)
	(6,791,846)	**(6,673,394)**

Interest expense is accrued and paid on different medium- and long-term lines of credit secured by the Bank from its various lending partners.

7. Net Fee and Commissions income

	31 March 2025	31 March 2024
(a) Fees and commissions income	Frw' 000	Frw' 000
Letters of credit service commission fees	-	92,069
Commission income from issued securities &Guarantees	316,210	-
Loans related fees and commissions	217,342	289,810
	533,552	**381,879**
(b) Fees and commissions expense		
Commissions fees on borrowings	(112,610)	(113,861)
Commissions fees on banking services	(8,147)	(5,824)
Commissions fees on letters of credits	-	(2,581)
	(120,757)	**(122,266)**
Net fee and commission income	**412,795**	**259,613**

8. Net Foreign exchange losses

	31 March 2025	31 March 2024
	Frw' 000	Frw' 000
Foreign exchange gains	937,050	114,233
Foreign exchange losses	(1,793,506)	(1,036,072)
Net foreign exchange losses	**(856,456)**	**(921,839)**

Foreign exchange commissions are earned from international transfers made on behalf of the Bank's customers. Translation gains and losses are accounted for when balances of assets and liabilities denominated in foreign currencies are converted into the reporting currency (Frw) using rates at the reporting date.

9. Other Operating income

	31 March 2025 Frw' 000	31 March 2024 Frw' 000
Advisory and Management fees*	204,408	81,560
Dividends	18,622	8,000
Rent income	41,781	34,614
Gain on equity investment disposal	-	325,664
Other income	16,022	56,100
	280,834	**505,938**

*The Advisory and Management is mainly attributable to management and advisory services provided for Education Fund (Frw 105 Mln) currently managed by the Bank and management fees related to the word bank projects.

10. Impairment losses on financial instruments

(i) Impairment losses on loans and advances

	31 March 2025 Frw' 000	31 March 2024 Frw' 000
Provision in the year	(5,551,604)	(4,065,847)
Amounts written off	-	-
Write Back on amounts previously provided for	2,065,824	1,719,637
Recoveries on amounts previously written off	225,322	559,094
	(3,220,460)	**(1,787,116)**

(ii) Impairment losses on other financial assets

	31 March 2025 Frw' 000	31 March 2024 Frw' 000
ECL on amounts on corporate bonds	-	-
ECL on amounts due from other banks	(46,215)	-
ECL on other assets	(4,871)	(2,700)
Total ECL	**51,086**	**(2,700)**
Total impairment losses on financial instruments	**(3,271,546)**	**(1,789,816)**

10. Impairment losses on financial instruments

Impairment losses on financial instruments as per the statement of financial position

31 March 2025	Stage 1	Stage 2	Stage 3	Total
	Frw' 000	Frw' 000	Frw' 000	Frw' 000
Balances with other Banks	388,013	-	-	388,013
Loans and advances to customers	9,956,101	12,192,041	3,058,168	25,206,310
Other receivables	854,030	-	-	854,030
Loan Commitments	781,154	17,814	-	798,968
TOTAL IMPAIRMENT LOSS	**11,979,298**	**12,209,855**	**3,058,168**	**27,247,321**

31 December 2024	Stage 1	Stage 2	Stage 3	Total
	Frw' 000	Frw' 000	Frw' 000	Frw' 000
Balances with other Banks	341,798	-	-	341,798
Loans and advances to customers	6,182,300	12,283,163	3,472,911	21,938,374
Other receivables	852,209	-	-	852,209
Undrawn Facilities	555,227	65,964	-	621,191
TOTAL IMPAIRMENT LOSS	**7,931,534**	**12,349,127**	**3,472,911**	**23,753,572**

11. Remeasurement gain/(loss) of investment in associates.

	31 March 2025	31 March 2024
	Frw' 000	Frw' 000
Business Development Fund	-	-
Rwanda Farmers Coffee Company	-	-
	-	-

This relates to changes in the fair value of unquoted investment in associates that are carried at fair value basis. The fair valuation of the unquoted investments in associates mainly determined on the "average between Discounted Cash Flow and Net Asset Value methodology" was carried out and the gains or losses reported represent differences between the opening and closing investments' values.

12. Net fair value gain on derivative instruments

	31 March 2025	31 March 2024
Gain on derivative instruments at fair value through profit or loss	1,176,456	802,484

13. Personnel expenses

	31 March 2025	31 March 2024
	Frw'000	Frw' 000
Salaries and wages	1,609,819	1,369,423
Retirement benefit costs	106,727	57,451
Medical fees	98,992	1,545
Other staff costs*	279,771	230,810
Provision for bonus	240,587	253,520
Staff benefit fair value adjustment for year	52,229	177,977
	2,388,126	**2,090,726**

*Other staff costs include mainly other staff benefits such contribution by the Bank to staff provident fund and management employees' car subsidies.

14. Other operating expenses

	31 March 2025	31 March 2024
	Frw' 000	Frw' 000
Advertising & Marketing	153,017	23,894
Audit fees	2,500	7,500
Cleaning Expenses	11,985	11,865
Communication	11,821	25,621
Consultancy fees	124,391	153,480
Directors' expenses	27,344	19,208
Donation and grants	11,456	40,292
Insurance	13,424	12,051
IT expenses	172,451	293,845
Land and District Taxes	5,189	10,439
Legal fees	17,308	12,125
Office stationery and utilities	13,647	11,193
Reception expenses	47,481	29,999
Repairs and maintenance	16,441	16,424
Security Fees	13,171	9,869
Staff welfare	19,230	8,014
Subscription to professional bodies	34,156	52,260
Training Fees	36,113	33,130
Travel and accommodation	45,050	58,373
Water and Electricity	25,973	19,623
	802,148	**849,205**

15. Taxation

The Development Bank of Rwanda is exempt from Income Tax as per the Rwandan Income Tax Law, Article 45 No 027/22 of 20/10/2022 Paragraph 9 on exemption from corporate income tax.

Use of BRD's tax exemption proceeds

In accordance with the directive No 0275/20/2023-24/MIN dated 01st September 2023 from the Ministry of Finance and Economic planning, it has been decided that the BRD's tax exemption proceeds should be allocated from the Business Development Fund (BDF) to full provide for:

i) Grants to sustainably support subsidized lending products focused on Green Financing (Ireme Invest), Women Enterprises, On-lending on Small and Medium Enterprises and Capacity Building for Small and Medium Enterprises

ii) technical assistance

16. Cash and Cash Equivalents

(a) Balances with National Bank of Rwanda

	31 March 2025 Frw' 000	31 December 2024 Frw' 000
Local Currency	2,066,363	1,713,701
Foreign Currency	83,485	2,374,289
	2,149,848	**4,087,990**

Balances with National Bank of Rwanda are classified as current assets and are non-interest earning and available for use in the Bank's day-to-day operations.

Cash reserve requirement

Development Bank of Rwanda is not required to maintain the minimum cash reserve as it is not a deposit taking Bank.

(b) Amounts due from other banks.

	31 March 2025 Frw' 000	31 December 2024 Frw' 000
Placements with local banks in local currency	182,437,441	151,218,091
Placements with local banks in foreign currency	53,003,185	52,211,789
Placements with overseas Banks	51,118	360,097
Less: Allowance for ECL	(388,013)	(341,798)
	235,103,731	**203,448,179**

16. Cash and Cash Equivalents

(c) Statement of cash flows

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, and other eligible bills.

	31 March 2025 Frw' 000	31 December 2024 Frw' 000
Cash and balances with National Bank of Rwanda (Note 16 (a))	2,149,848	4,087,990
Amounts due from other Banks (Note 16 (b))	235,103,731	203,448,179
	237,253,579	**207,536,169**

17. Investments at amortised cost

	31 March 2025 Frw '000	31 December 2024 Frw '000
Treasury Bond	29,801,100	29,801,100
Interests accrued on bonds	1,468,344	581,067
Less: ECL on balances	-	-
Total	**31,269,444**	**30,382,167**

Maturities	31 March 2025 Frw '000	31 December 2024 Frw '000
Maturing between 3-12 months	-	-
Maturing between 5-10 years	31,269,444	30,382,167
Total	**31,269,444**	**30,382,167**

As of March 2025, the bank held two government bonds. The first bond was issued on 17 November 2023 with a contractual interest rate of 12.175%, while the second bond was issued on 25 October 2024 with a contractual interest rate of 11.95%.These treasury bonds, issued by National Bank of Rwanda, are carried at the amortized cost.

18. Loans and Advances

	31 March 2025 Frw' 000	31 December 2024 Frw' 000
Agriculture loans	45,898,987	41,181,960
Export loans	144,036,815	145,473,751
Energy loans	56,000,880	55,370,729
Education loans	7,894,860	8,132,010
Housing loans	101,846,101	101,076,574
SP & Infrastructure loans	157,008,565	151,065,736
Gross loans	**512,686,207**	**502,300,760**
Suspended interest	(190,570)	(193,353)
Expected credit losses (ECL)	(26,005,279)	(22,559,565)
Staff loan discount	(2,347,409)	(3,122,666)
Net loans and advances	**512,686,207**	**476,425,176**

18. Loans and Advances (Continued)

The following table shows movement in expected credit losses against loans and advances by stages:
31 March 2025:

	As at 1 January 2025	Movement in the period	As at 31 March 2025
	Frw' 000	Frw' 000	Frw' 000
Stage 1(Note 31)	6,182,300	3,773,801	9,956,101
Stage 2(Note 31)	12,283,163	(91,122)	12,192,041
Stage 3(Note 31)	3,472,911	(414,743)	3058168
ECL on undrawn facilities	621,191	177,778	798,969
	22,559,565	**3,445,714**	**26,005,279**

31 December 2024

	As at 1 January 2024	Movement in the period	As at 31 December 2024
	Frw' 000	Frw' 000	Frw' 000
Stage 1(Note 31)	4,439,799	1,742,501	6,182,300
Stage 2(Note 31)	8,423,802	3,859,361	12,283,163
Stage 3(Note 31)	20,375,211	(16,902,300)	3,472,911
ECL on undrawn facilities	558,725	62,466	621,191
	33,797,537	**(11,237,972)**	**22,559,565**

The reconciliation for changes in positions of ECL against loans and advances is as follows:

	31 March 2025	31 December 2024
	Frw' 000	Frw' 000
At start of the year	22,559,565	33,797,537
Additional provisions (Note 10)	5,511,604	10,407,533
Provisions written back (Note 10)	(2,065,890)	(6,837,981)
Provisions against written off loans	-	(10,355,405)
Amounts written off	-	(4,452,119)
	26,005,279	**22,559,565**

19. Equity investments

The Bank advanced financing in the form of equity in exceptional cases where the project is assessed to have a significant impact on the community and its development and where the equity participation is necessary for improving the capital structure of the company or where the sponsors are unable to raise additional equity to enable the borrower to operate on a commercially sound footing. Usually these are companies which have substantial development impact but whose cash flows cannot support continuous repayments for long term loans. These are reported as investments in associates, Equity investments at fair value through OCI and redeemable convertible preference shares as per the Bank's accounting policies.

The equity investment in unquoted entities is recorded at cost on initial recognition and subsequently on adjusted net asset basis less impairment since there is no active market for these investments. Refer to note 30 for a more detailed discussion on the valuation methodology.

19. Equity investments (Continued)

(a) Investments in associates

As of 31 March 2025	Investment at Cost	Additional investment Frw' 000	Gain/ (losses)	Carrying Value
	Frw' 000		Frw' 000	Frw' 000
Business Development Fund	297,843		6,035,921	6,333,764
Kinazi Cassava Plant	4,840,472		(3,360,719)	1,479,753
Rwanda Enterprise Investment Company	528,021		(528,021)	-
Eastern Province Investment Company	4,604,005		(1,826,757)	2,777,248
Rwanda Farmers Coffee Company Limited	530,309		393,063	923,372
Great Lakes Cement Company	685,352		(685,352)	-
Tapioca Starch Processing Company	70,115		(70,115)	-
	11,556,117		**(41,980)**	**11,514,137**

As of 31 December 2024	Investment at Cost	Additional investment Frw' 000	Gain/ (losses)	Carrying Value
	Frw' 000		Frw' 000	Frw' 000
Business Development Fund	297,843		6,035,921	6,333,764
Kinazi Cassava Plant	4,840,472		(3,360,719)	1,479,753
Rwanda Enterprise Investment Company	528,021		(528,021)	-
Eastern Province Investment Company	4,604,005		(1,826,757)	2,777,248
Rwanda Farmers Coffee Company Limited	530,309		393,063	923,372
Great Lakes Cement Company	685,352		(685,352)	-
Tapioca Starch Processing Company	70,115		(70,115)	-
	11,556,117		**(41,980)**	**11,514,137**

The following table shows movement in investment cost during the period:

	31 March 2025	31 December 2024
	Frw' 000	Frw' 000
As at 1 January	11,514,137	11,503,629
Net change in fair value	-	10,507
Additional investment	-	-
As at 31 March/December	**11,514,137**	**11,514,137**

19. Equity investments (Continued)

b) Equity investments at fair value through OCI

As of 31 March, 2025	Investment at cost Frw' 000	Cost of disposed investment Frw' 000	Cumulative change in Fair value Frw' 000	Carrying Value Frw' 000
Magerwa Limited	37,425		922,126	959,551
Rwanda Investment Group Limited*	512,000		399,445	911,445
Hostel 2020 Limited	465,000		112,872	577,872
Prime Economic Zones Limited	1,098,320		2,297,969	3,396,289
Bank of Kigali Limited	502,925		784,563	1,287,488
Rwanda Stock Exchange	8,000		917,699	925,699
New Forest Company Limited	489,889		170,201	660,090
Rugarama Park Estate	1,980,000		(120,000)	1,860,000
Crystal Telecom Limited	2,836,785		972,612	3,809,397
Sopyrwa	499,999		497,988	997,987
Ziniya Project	424,673		(19,154)	405,519
Kivu Marina	2,725,000		-	2,725,000
Banque de Développement des Etats de Grands Lacs	6,280		111,738	118,018
	11,586,296	**-**	**7,048,059**	**18,634,355**

As of 31 December, 2024	Investment at cost Frw' 000	Cost of disposed investment Frw' 000	Cumulative change in Fair value Frw' 000	Carrying Value Frw' 000
Magerwa Limited	37,425		922,126	959,551
Minimex Limited*	275,000	(275,000)	-	-
Rwanda Investment Group Limited*	600,000	(88,000)	399,445	911,445
Hostel 2020 Limited	465,000		112,872	577,872
Prime Economic Zones Limited	1,098,320		2,297,969	3,396,289
Bank of Kigali Limited	502,925		744,329	1,247,254
Rwanda Stock Exchange	8,000		917,699	925,699
New Forest Company Limited	489,889		170,201	660,090
Rugarama Park Estate	1,980,000		(120,000)	1,860,000
Crystal Telecom Limited	2,836,785		1,729,088	4,565,873
Sopyrwa	499,999		497,988	997,987
Ziniya Project	424,673		(19,154)	405,519
Kivu Marina	2,725,000		-	2,725,000
Ndera Housing Project*	147,221	(147,221)	-	-
Banque de Développement des Etats de Grands Lacs	6,280		111,738	118,018
	12,096,517	**(510,221)**	**7,764,301**	**19,350,597**

20. Derivative Financial Instruments

The outstanding principal receipts and payments for the existing swap contracts and their respective fair values of the derivative asset or liability are as follows:

As at 31 March 2025:

Currency Swap	Outstanding USD principal receipts	Outstanding FRW principal payments	Fair Value of Asset	Fair Value of Liability
	Frw ' 000	Frw ' 000	Frw ' 000	Frw ' 000
Contract of 08.12.2016	1,780,959	1,050,403	730,556	-
Contract of 31.03.2020	4,260,714	2,824,117	1,436,597	-
Contract of 05.01.2022	2,843,516	2,058,420	785,096	-
Contract of 11.05.2022	3,565,250	2,632,446	932,804	-
Contract of 31.05.2022	4,579,532	3,376,383	1,203,149	-
Contract of 09.06.2022	12,978,728	9,570,926	3,407,802	-
Contract of 17.01.2023	6,523,645	5,029,836	1,493,809	-
Contract of 22.06.2023	29,882,040	24,825,899	5,056,141	-
Contract of 14.12.2023	13,166,492	11,910,282	1,256,210	-
Contract of 27.12.2023	7,354,399	6,672,859	681540	-
Contract of 09.07.2024	12,206,587	11,489,795	716,792	-
Total	**99,141,862**	**81,441,366**	**17,700,496**	-

As at 31 December 2024:

Currency Swap	Outstanding USD principal receipts	Outstanding FRW principal payments	Fair Value of Asset	Fair Value of Liability
	Frw ' 000	Frw ' 000	Frw ' 000	Frw ' 000
Contract of 08.12.2016	1,732,126	1,031,565	700,561	-
Contract of 31.03.2020	4,604,752	3,170,476	1,434,276	-
Contract of 05.01.2022	3,492,186	2,625,607	866,579	-
Contract of 11.05.2022	3,467,494	2,582,281	885,213	-
Contract of 31.05.2022	4,453,965	3,312,041	1,141,924	-
Contract of 09.06.2022	12,622,862	9,388,539	3,234,323	-
Contract of 17.01.2023	7,050,409	5,645,775	1,404,634	-
Contract of 22.06.2023	29,062,699	24,352,808	4,709,891	-
Contract of 14.12.2023	12,805,478	11,683,315	1,122,163	-
Contract of 27.12.2023	7,152,747	6,545,698	607049	-
Contract of 09.07.2024	13,268,781	12,971,655	297,126	-
Total	**99,713,499**	**83,309,760**	**16,403,739**	-

20. Derivative Financial Instruments (Continued)

The following table provides a reconciliation of the change in the value of the net derivative financial instrument for the period ended 31 March 2025;

	31 March 2025 Frw ' 000	31 December 2024 Frw ' 000
Balance of Net Derivative Asset/(Liability) as at 1 January	16,403,739	10,674,900
Receipts during the year under swaps contracts	(3,307,723)	(19,145,911)
Payments during the year under swaps contracts	3,428,024	20,603,934
Fair Value gain /(loss) under swaps contracts	1,176,456	4,270,816
Balance of Net Derivative Asset as at 31 March	**17,700,496**	**16,403,739**

21. Other Assets

	31 March 2025 Frw' 000	31 December 2024 Frw' 000
Other receivables	133,495	115,732
Staff fair value adjustment for year	1,995,970	2,773,134
Amounts due from Business Development Fund Ltd	80,044	90,103
Amounts due from EDUCATION	212,786	508,912
Amounts due from RUGARAMA PARK ESTATES	87,940	86,441
Receivable from Rwanda Housing Finance Project	48,323	47,510
Receivable from SEIRHCP Project	37,545	115,609
Receivable from REF Project	-	41,901
Receivable From AFIRR Project	85,157	103,030
Receivables From RDAP Project	14,761	8,480
Receivables From CDAT Project	16,646	157,957
Receivables From EAQIP - Clean Cooking Project	69,593	3,621,696
Receivables From KATAZA Project	59,954	58,538
Receivables From ECGF Projects	179,197	179,099
Receivables From EGF KFW	61,752	-
Receivables From AFD TA	76,260	74,537
Receivables From ASCENT	23,046	43,602
Receivable from Military Medical Insurance (MMI)	-	8,391
	3,182,469	**8,034,672**
Less: Expected credit losses (ECL)		
At 1 January	852,209	1,132,905
ECL increase during the year	4,871	1,014,533
ECL used against payment of liabilities previously provided for	(3,050)	(407,409)
ECL used against write off previously provided for	-	(887,820)
	854,030	**852,209**
Net other financial assets	**2,328,439**	**7,182,463**
Prepayments	1,505,340	1,634,836
	3,833,779	**8,817,299**

The Balances are stated net of any assessed and recognized impairment provision.

22. Non-Current Assets held for sale

	31 March 2025	31 December 2024
	Frw' 000	Frw' 000
At Start of year	250,000	250,000
Additions	-	-
Less: decline in value	-	-
	250,000	**250,000**

The balance of Frw 250 million relates to one property repossessed by the Bank. The valuation of the Non-Current Assets held for sale was based on an adjusted sales comparison approach where recognized external property valuers give their opinion on any significant changes in the value of the asset. The Directors have determined these inputs based on the size and condition of the investment property.The reported values for properties held for sale are all level 3 in accordance with the fair value hierarchy. There were no level 1 or level 2 assets. The Bank is still locating interested buyers of the repossessed property (Elegancia Hotel) acquired at Frw 250Miln.

23. Intangible assets

31 March 2025	**Software**	**Software Works in Progress**	**Total**
Cost	**Frw' 000**	**Frw' 000**	**Frw' 000**
At 1 January	1,883,997	14,410	1,898,407
Additions	524,990	82,084	607,073
Removal of fully depreciated software	(173,551)		(173,551)
At 31 December	**2,235,436**	**96,494**	**1,331,929**
Amortisation			
At 1 January	(1,620,536)	-	(1,620,536)
Charge for the year	(32,731)	-	(32,731)
Removal of fully depreciated software	173,551		173,551
At 31 December	**(1,479,715)**	-	**(1,479,715)**
Net Book Value at 31 December	**755,721**	**96,494**	**852,214**

31 December 2024	**Software**	**Software Works in Progress**	**Total**
Cost	**Frw' 000**	**Frw' 000**	**Frw' 000**
At 1 January	1,578,008	269,813	1,847,821
Additions	-	50,586	50,586
Transfer from WIP	305,989	(305,989)	-
At 31 December	**1,883,997**	**14,410**	**1,898,407**
Amortisation			
At 1 January	(1,517,322)	-	(1,517,322)
Charge for the year	(103,214)	-	(103,214)
At 31 December	**(1,620,536)**	-	**(1,620,536)**
Net Book Value at 31 December	**263,461**	**14,410**	**277,871**

24. Property and Equipment

31 March 2025	Land and buildings	IT equipment	Motor vehicles	Furniture & fittings	Works in progress	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Cost or valuation						
As at 1 January	11,535,783	1,073,307	217,067	1,996,151	493,086	15,315,394
Additions	61,383	25,185	-	18,751	82,640	187,959
Disposal of IT Equipment	-	-	-	-	-	
Transfer from WIP	-	-	-			-
As at 31 December	**11,597,166**	**1,098,492**	**217,067**	**2,014,902**	**575,726**	**15,503,353**
Depreciation and impairment						
As at 1 January	(496,956)	(1,017,507)	(185,440)	(1,657,037)	-	(3,356,940)
Charge for the year	(61,185)	(15,040)	(3,562)	(31,606)	-	(111,393)
Write off	-	-	-	-	-	-
Removal of depreciation on disposed IT equipment	-	-	-	-	-	-
As at 31 December	**(558,140)**	**(1,032,547)**	**(189,002)**	**(1,688,643)**	**-**	**(3,468,333)**
Net Book Value	**11,039,026**	**65,944**	**28,065**	**326,259**	**575,726**	**12,035,018**

Additions assets relate mainly to Refurbishment of BRD building, new laptop and furniture acquired during the three months ended 31st March 2025

Work in Progress relates to refurbishment being done on the reception area of the Bank's Building and works of paving ground parking area.

24. Property and Equipment (Continued)

31 December 2024	Land and buildings Frw '000	IT equipment Frw '000	Motor vehicles Frw '000	Furniture & fittings Frw '000	Works in progress Frw '000	Total Frw '000
Cost or valuation						
As at 1 January	11,535,783	1,030,295	217,067	1,957,598	500,886	15,241,629
Additions		47,177	-	30,753	-	77,930
Disposal of IT Equipment	-	(4,165)	-	-	-	(4,165)
Transfer from WIP	-	-	-	7,800	(7,800)	-
As at 31 December	**11,535,783**	**1,073,307**	**217,067**	**1,996,151**	**493,086**	**15,315,394**
Depreciation and impairment						
As at 1 January	(248,138)	(945,959)	(170,952)	(1,328,471)	-	(2,693,520)
Charge for the year	(248,818)	(75,713)	(14,487)	(328,569)	-	(667,587)
Write off	-	-	-	-	-	-
Removal of depreciation on disposed IT equipment	-	4,165	-	-	-	4,165
As at 31 December	**(496,956)**	**(1,017,507)**	**(185,439)**	**(1,657,040)**	**-**	**(3,356,942)**
Net Book Value	**11,038,827**	**55,800**	**31,628**	**339,111**	**493,086**	**11,958,452**

25. a(i) Other payables

	31 March 2025	31 December 2024
	Frw' 000	Frw' 000
Accrued expenses	1,641,711	1,398,699
Advances from customers	308,578	264,600
EAQIP Clean Cooking Subsidy	-	2,432,237
Kreditanstalt Fur Wiederaufbau (KFW)	46,614	43,948
RDAP Projects	111	2,292,949
Refund to CDAT Projects	-	190,350
EAQIP W5 Subsidy	636,644	4,224,933
Other payables	10,927,870	3,260,170
Payable EGF-KFW	787,958	360,381
Payable to Cana challenge	159,949	162,397
Trade Finance- BRD -EURO	2,285	370,498
Trade Finance- NIRDA -USD	481,512	857,947
Trade Finance-NIRDA-Frw	145,799	306,313
Deferred EGF interest income	2,467,512	2,642,022
Deferred Interest NIRDA Agriculture	816,622	880,269
Deferred service commissions	1,650,923	1,607,601
Deferred Guarantee Fee	494,457	-
Other taxes payable	105,462	211,531
Rwanda Housing Finance Project-Subsidy	6,963,704	7,437,154
Statutory deductions payable	356,754	277,007
	27,994,465	**29,221,006**

(ii) Dividends payable	**11,019**	**11,019**

26. Borrowings

	31 March 2025	31 December 2024
	Frw' 000	Frw'000
East African Development Bank	-	270,533
European Investment Bank	32,770,777	34,265,949
Arab Bank for Economic Development in Africa (BADEA)	37,699,241	36,307,938
Banque de Development des Etats des Grands Lacs (BDEGL)	17,107,401	16,689,213
Kreditanstalt Fur Wiederaufbau (KFW) – Borrowing	11,078,019	11,330,019
Rwanda Social Security Board (RSSB)	34,716,732	35,407,262
BNR Term loan -Economic Recovery Fund (ERF)	23,429,172	24,179,314
Agence Française de Development (AFD)	38,521,753	38,430,301
MINECOFIN (Access to Finance for Recovery and Resilience Project)	191,457,719	191,409,627
Rwanda Green Fund (FONERWA)	3,476,614	1,836,869
MINECOFIN (Commercialization and De Resking for Agriculture Transformation project)	30,864,350	17,940,826
Minecofin (ASCENT)	2,042,666	2,037,639
Sustainable Linked Bond (SLB)	67,384,909	65,375,120
	490,549,353	**475,480,610**
Gain borrowings modification*	(1,674,485)	(1,747,391)
Fair Value Adjustment on ERF Term borrowings*	(95,611,762)	(97,530,638)
	393,263,106	**376,202,581**

The Bank has not had any defaults of principal, interest, or other breach with regard to any liabilities during the three months of 2025 or 2024 and the Bank has not given any security for the borrowed funds.

27. Special funds

	31 March 2025	31 December 2024
	Frw' 000	Frw' 000
Microfinance Funds - Belgium Cooperation	854,685	867,559
Other Special Funds	56,126	56,125
KFW line of credit Investment fund	20,555	25,753
Rural Investment Facility	463,432	463,432
FIFAPI ROPARWA fund	885,677	892,581
MINAGRI-Belgium cooperation fund	262,084	262,084
MINAGRI/KWAMP Fund	673	658
SME technical assistance fund	743,678	743,678
Minicom – Export Fund	162,742	162,742
KFW/Kreditanstalt Fur Wiederaufbau	246,356	249,191
NAEB Export Guarantee Fund*	707,477	691,494
Government of Rwanda public fund	38,136	38,136
NIRDA/ Clays and Stone	144,088	114,088
NIRDA/P.P &Animal Feeds	538,953	444,498
NIRDA- Open Calls Program	150,529	226,667
Transfer exemption proceed	3,303,751	3,303,751
RHFP REVOLVING FUND	132,684,427	119,569,032
Special Fund -ASCENT Subsidy	3,641,132	3,641,132
IREME/AFD T.A	305,305	287,841
Special Funds-Mastercard	6,418,521	6,433,606
	151,628,327	**138,474,048**

* NAEB Export Guarantee Fund is a guarantee fund put in place to facilitate the Rwandan horticulture exporters to have access to finance and therefore increase outputs in this sector.

28. Grants

	31 March 2025	31 December 2024
	Frw'000	Frw'000
UNDP Grant for MFIS	107,545	107,545
Belgium co-operation Microfinance	209,875	209,875
FAPA Grant	14,198	13,877
PASP Grant	38,880	38,880
PRICE Grant	9,000	9,000
RAB Grant	9,011	9,011
BDEGL II Capacity Building Grant	104,784	102,417
REF Project Technical Assistance	301,378	574,076
SEIRHC Project	1,009,336	992,436
BNR Economic Recovery Funds (fair value modification)	10,583	100,629,203
Minicom Export Growth Grant	760,058	10,344
Rwanda Housing Finance Project Technical Assistance	-	966,023
EAQIP Project	-	18,095
AFD Technical assistance	166,774	-
AFIRR Project Technical Assistance	-	477,518
CDAT Project Technical Assistance	99,240,319	132,113
Rwanda Digital Acceleration Project Grant	2,929,237	1176756
Grant-ASCENT Technical Assistance	214,659	289,963
	105,125,637	**105,757,132**

29. Share Capital and Share Premium

(a) Share Capital

31 March 2025	**Number of shares**	**Par value**	**Total**
		Frw	**Frw' 000**
As at 1 January	76,873,190	1,000	76,873,190
Issues of shares	2,000,000	1,000	2,000,000
As at 31 March 2025	**78,873,190**		**78,873,190**

31 December 2024	**Number of shares**	**Par value**	**Total**
		Frw	**Frw' 000**
As at 1 January	73,685,690	1,000	73,685,690
Issues of shares during the year	3,187,500	1,000	3,187,500
As at 31 December 2024	**76,873,190**		**76,873,190**

Authorised share capital.

The main shareholder, Government of Rwanda (GoR) through Agaciro Development Fund, injected additional share capital during the three months ended 31 March 2025 amounting to Frw 2,000,000,000 (2024: Frw 3,187,500,000) in form of cash.

All shareholders have the same voting rights during annual and general meetings, which is equal to the number of paid-up shares held by the member.

(b) Share Premium

	31 March 2025	31 December 2024
	Frw' 000	Frw' 000
Share Premium	11,665,569	11,665,569

The share premium arose on the purchase of shares by one of the minority shareholders and, Government of Rwanda debt to CSR from the export promotion fund, Rwanda Social Security Board Debt outstanding by BRD and on the share swap with Magerwa.

30. Other reserves

	31 March 2025	31 December 2024
	Frw' 000	Frw' 000
Revaluation reserves	11,096,575	11,096,575
Fair value reserve*	7,048,059	7,764,302
Supplementary capital reserve	11,510,322	11,510,322
	29,654,956	**30,371,199**

Movements in other reserves are shown in the statement of changes in equity.

Revaluation reserve

The revaluation surplus represents the surplus on the revaluation of buildings and freehold land and is non-distributable.

Fair Value Reserve

*Fair value reserves represent fair value gains on Equity investments at fair value through OCI and are not distributable. The additional Fair value was based on valuation of Bank of Kigali, and MINIMEX buy back of BRD shares.

Other Disclosures

Quantitative Disclosures		**31 March 2025**	**31 December 2024**
I Capital Strength			
1. Core capital (Tier 1)	Frw' 000	113,540,340	105,126,223
2. Supplementary capital (Tier 2)	Frw' 000	21,409,101	20,574,833
3. Total Capital	Frw' 000	134,949,441	125,701,056
4. Total risk weighted assets	Frw' 000	487,115,123	503,229,348
5. Core capital/total risk weighted assets (Tier 1 Ratio)	%	19.920%	20.89%
6. Tier 2/total risk weighted assets (Tier 2 ratio)	%	3.756%	4.08%
7. Total capital/total risk weighted assets (Total Capital ratio)	%	23.677%	24.97%
8. Leverage ratio	%	12%	11%
II. Credit Risk			
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;	Frw' 000	512,686,207	502,300,760
2. average gross credit exposures, broken down by major types of credit exposure:			
a) Loans, commitments, and other non-derivative off-balance sheet exposures;	Frw' 000	71,253,011	72,369,029
Quantitative Disclosures			
b) debt securities;	Frw' 000	-	-
c) OTC derivatives	Frw' 000	105,366,204	99,713,499
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;	Frw' 000		
a) City of Kigali	Frw' 000	450,891,673	437,592,408
b) Northern Province	Frw' 000	2,557,948	2,759,545
c) Eastern Province	Frw' 000	30,586,162	31,955,400
d) Western Province;	Frw' 000	23,295,719	24,063,115
e) Southern Province.	Frw' 000	5,354,704	5,930,292
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:			
a) Government;	Frw' 000	29,574,258	30,509,429
b) financial;	Frw' 000	255,657,797	254,004,665
c) manufacturing;	Frw' 000	31,305,299	29,514,973
d) infrastructure and construction;	Frw' 000	163,084,054	153,924,445
e) services and commerce.	Frw' 000	32,034,521	33,282,177
f) others	Frw' 000	1,030,278	1,065,071
5. Off- balance sheet items	Frw' 000	71,253,011	72,369,029
6. Non-performing loans indicators			
a) Non-performing loans (NPL)	Frw' 000	3,552,614	3,779,999
b) NPL ratio	%	0.61%	0.66%

Quantitative Disclosures		**31 March 2025**	**31 December 2024**
7. Related parties	Frw' 000		
a) Loans to Directors, shareholders, and subsidiaries	Frw' 000	54,840,692	55,726,174
b) Loan to employees	Frw' 000	4,291,028	4,155,846
8 Restructured Loans:			
Number of Borrowers	Number	91	91
Outstanding Amount	Frw '000	55,586,369	57,838,696
Provisions there on	Frw '000	14,234,283	17,017,038
Restructured loans as a percentage of gross loans	%	25.61%	29.42%
III. LIQUIDITY RISK			
a) Liquidity Coverage Ratio (LCR)	%	2,442%	2,681%
b. Internal liquidity coverage ratio (1 year ahead)	%	284%	176%
c) Net Stable Funding Ratio (NSFR)	%	170%	177%
IV. OPERATIONAL RISK			
Number and types of frauds and their corresponding amount	Type	-	-
	Number	-	-
	Amount	-	-
V. MARKET RISK			
1. Interest rate risk	%	-	-
2. Equity position risk	Frw' 000	-	-
3. Foreign exchange risk	Frw' 000	2,563,781	2,599,010
VI. COUNTRY RISK			
1. Credit exposures abroad	Frw' 000	-	-
2. Other assets held abroad	Frw' 000	-	-
3. Liabilities to abroad	Frw' 000	-	-
VII. Management and board composition			
1. Number of Board members		9	9
2. Number of independent Directors		6	6
3. Number of non-independent Directors		3	3
4. Number of female Directors		4	4
5. Number of male Directors		5	5
6. Number of Senior Managers		10	9
7. Number of female senior managers		4	4
8. Number of male senior managers		6	5