INTEGRATED REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

BANK OF AFRICA
BMCE GROUP

TABLE OF **CONTENTS**

1 REPORT **OVERVIEW**

EXECUTIVE **SUMMARY**

This Integrated Report aims to disclose information about matters that substantively affect the Bank's ability to create value over the short, medium and long term. It has been prepared in accordance with the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC) and takes into considerations the revisions to the Framework published in January 2022.

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

Reporting Scope and Boundary:

The Report covers the operations of BANK OF AFRICA - RWANDA PLC for the period from 1 January 2023 to 31 December 2023.

Forward-looking statements

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

Outlook

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

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

OUR VISION, MISSION AND VALUES

Our Vision

To be the preferred bank to our chosen market.

Our Mission

- To serve our customer with efficiency and courtesy.
- To contribute to the development of all our stakeholders.
- To optimize the growth of Bank of Africa Group through synergies and development plans.
- To promote the growth and stability of the economies that we operate in.

Our Values

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

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

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

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

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

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

CHAIRMAN'S **STATEMENT**

Emmanuel Ntaganda
Chairman

As Chairperson of the Board, I am proud to present our Financial Integrated Report for 2023.

This year has been one of significant achievements and strategic progress for our bank.

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

Throughout 2023, the major focus for the board was interrogating how management balances the delivery of short- and medium-term objectives with planning for the longer term. Our focus on sustainability, innovation, and customer-centricity has driven our performance, enabling us to achieve good financial results and make meaningful contributions to our communities.
The Board is particularly proud of the strides we have made in integrating different business categories into our operations. We believe that our commitment to these principles not only strengthens our business but also contributes to a more sustainable and equitable future.

I would like to extend my gratitude to our shareholders, the executive team, employees, and bank customers for their unwavering support and dedication. Together, we have built a strong foundation for continued success.
As we move forward, the Board remains committed to guiding our bank through the opportunities and challenges that lie ahead, with a steadfast focus on creating value for all our stakeholders.

Thank you for your trust and confidence in our leadership.

Sincerely,

Emmanuel Ntaganda
Chairman

MANAGING DIRECTOR **STATEMENT**

Vincent ISTASSE
Managing Director

I am pleased to present our financial integrated report for 2023, a year marked by growth and resilience.

Despite global economic challenges, our bank has remained steadfast in our commitment to delivering value to our customers, shareholders, and our communities.
The increase in activities in both credits and services increased net operational income by 32.7% to 6.7 billion. However, an exceptional increase in risk concentrated mainly due to 3 files reduced the result to 1.82 billion (- 25%).
The main financial indicators remain well oriented apart from the NPL Ratio, whose improvement is expected in 2024.

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

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

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

Thank you for your continued confidence in our bank.

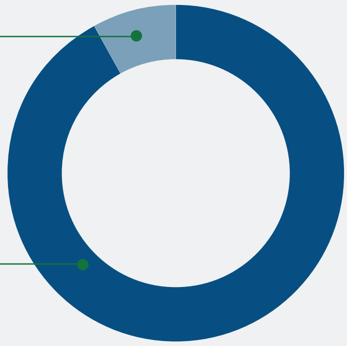
Vincent ISTASSE
Managing Director

2 GOVERNANCE

SHAREHOLDING **STRUCTURE**

5%

Shareholders : MPORANYI CHARLES
Number of shares: 100,000
Total value: 1,000,000,000



95%

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

100%

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

BOARD **OF DIRECTORS**

Providing oversight and guidance during unprecedented times

We are governed by a board of directors, the majority of whom are independent non-executive directors. Our Chairman is an independent, non-executive director. Our board is responsible for the strategic direction and ultimate control of the Bank according to the memorandum of incorporation and board charter.

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

Against the backdrop of constant and fast-paced changes, board diversity is important to remain agile and sustainable.

At the Bank of Africa Rwanda Plc, we consider diversity of race, gender, ethnicity, age, independence and skill sets, to ensure more robust debate and better decision-making. The board numbers below are as at the end of our current reporting period being 31 December 2022.

Independence

2
Non-Independent
DIRECTORS

4
Independent
DIRECTORS

Diversity of gender

From February 2022 female directors have been introduced in the Board

Diversity of age

38 → 69

INDEPENDENT DIRECTORS

Ntaganda Emmanuel
(Chairman)

Appointed on 19/07/2019

Qualifications

University Degrees in Economics, Commerce, Management, with an Honours Degree in Financial Management, Credit and Development from France.

Expertise and experience

Emmanuel has a broad experience of around 41 years in the banking industry. He has worked in different banks such as BRD, I&M Bank, BOA and BDEGL whereby he occupied different technical, managerial and governance functions such as Financial analyst, CFO, Head of Treasury, CEO and Member of Board. He is also a Board Member of SORAS ASSURANCES Générales. As an independent consultant, he participated in different assignments of projects evaluation, banks, microfinances and other SMEs restructure in Rwanda, Uganda, Burundi and DRC. He also made many publications such as a retrospective study on informal financial sector, integrated agriculture projects, audit of banks' financial and administrative procedures, etc.

Omar Balafrej

Appointed on 04/06/2020

Qualifications

University Degrees in Mathematics (Janson de Sailly, Ecole Centrale de Lyon)

Expertise and experience

Omar was Chief of projects for Morocco and Algeria in IFC (World Bank Group). He was also President of MNF-MITC Capital and the CEO of MITC-Technopark Omar is currently a consultant with a focus to advising start-ups and other organisations on business development and fund raising. He is also an elected member of budget committee in Moroccan Parliament.
His main networks and associative activities include the following:

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

Vincent Gatete

Appointed in May 2021

Qualifications

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

Expertise and experience

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

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

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

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

Betty Sayinzoga

Appointed in January 2021

Qualifications

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

Expertise and experience

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

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

NON-INDEPENDENT DIRECTORS

Amine Bouabid

Appointed on 19 July 2019

Qualifications

- MBA(finance, Drexel University, Philadelphia, USA.)
- Master's in IT (National Institute of Statistics and applied Economics, Rabat, Morocco)

Expertise and experience

Amine is Executive Managing Director of Bank of Africa Group. He has also held other various senior positions in the banking industry including leading and directing Salafin (BMCE BANK Subsidiary) as the founder and CEO; being a Board Member of BMC BANK; one of the founders of Casablanca Finance Group (the first Moroccan Investment Bank); and the financial analyst at Banque Commerciale du Maroc.

Amine also gained a broad experience in other non-banking industries: in Capital Consulting (Philadelphia), he was in charge of design and implementation of an asset management system; he also worked on the analysis and implementation of a telecom software at LIR (Thomson)

Abderrazzak Zebdani

Appointed on 19 July 2019

Qualifications

- Degree in mathematics applied to economic sciences (Université Paris Dauphine)
- Master's in applied mathematics (Université Paris VI: Pierre & Marie Curie)

Expertise and experience

Abderrazzak has experience of more than 26 years in the banking industry. He has been the Deputy Executive Managing Director of Bank of Africa Group from June 2008, CEO of BOA-SERVICES and board member of BOA-Senegal, Ivory Coast, Madagascar, Red Sea, Burkina Faso, Niger, Togo, Banque de l'Habitat- Benin, Banque du Crédit- Bujumbura, BOA-Asset Management, BOA-Capital; President of Board Audit and Risk Committees of BOA-Red Sea and BOA-Niger; Member of Audit and Risk Committees of BOA-Benin, BOA-Togo and BOA-Ivory Coast.

Amongst other senior positions he occupied in banks include: Director of SMEs, Head of department of Commerce at BMCE Bank; Credit Analyst and in charge of enterprises' clients at BMCI a subsidiary of BNP PARISBAS, Maroc)

BOARD COMMITTEES

BOARD AUDIT COMMITTEE

Betty SAYINZOGA	Chairperson
Abderrazzak ZEBDANI	Member
Omar BALAFREJ	Member
Vincent GATETE	Member

BOARD RISK COMMITTEE

Vincent GATETE	Chairperson
Emmanuel NTAGANDA	Member
Betty SAYINZOGA	Member
Omar BALAFREJ	Member

BOARD CREDIT COMMITTEE

Emmanuel NTAGANDA	Chairperson
Abderrazzak ZEBDANI	Member
Vincent GATETE	Member

NOMINATION & REMUNARATION COMMITTEE

Omar BALAFREJ	Chaiperson
Betty SAYINZOGA	Member
Abderrazzak ZEBDANI	Member
Emmanuel NTAGANDA	Member

INFORMATION TECHNOLOGY COMMITTEE

Omar BALAFREJ	Chairperson
Betty SAYINZOGA	Member
Emmanuel NTAGANDA	Member

EXECUTIVE COMMITTEE

Vincent Istasse, the Managing Director at Bank of Africa Rwanda is a seasoned banking professional with a distinguished career spanning over three decades. Vincent holds a D.E.S.S. in Corporate Diagnosis from the University of Lyon III and a Master's in Corporate Economy from the University of Reims. A French national with extensive expertise in African markets, Vincent has held senior roles across multiple financial institutions.

Vincent has consistently demonstrated his leadership and strategic acumen across various senior roles in the banking industry. He has previously served as Managing Director at BOA Côte d'Ivoire and Deputy Managing Director at BOA Ghana, where he drove significant growth in corporate, retail, and digital banking. His career includes leadership positions at BOA Red Sea, Financial Bank Chad, B.N.I. Madagascar, and Société Ivoirienne de Banque, focusing on business development, risk management, and strategic planning.

Since 2023, Vincent has been leading growth and transformation initiatives at Bank of Africa Rwanda, and his leadership skills are key to his role at the bank.

Theogene RUZINDANA is the Executive Head of Finance. He has worked for Bank of Africa Rwanda for 7 years coordinating finance activities in relation to financials preparation, financial analysis, budgeting, tax treatment and establishment of financial policies and procedures.

Theogene is experienced in the financial domain, he worked for BPR for 15 years occupying different positions such as Head of MIS, Head of Operations, Head of Accounting and Chief Finance Officer.

Heholds a bachelor's degree in Managementsciences and is a certified Public Finance Management accountant(CPFMA), he is also following CPAK courses.

Ephraim MUVALA is an Executive Head, Legal services & Company Secretary at Bank of Africa Rwanda since 2013, with primary mission of ensuring institution compliance with industry Corporate Governance framework and country regulatory environment.

He is a holder of Ms. Science in arts, Post graduate diploma in legal practice and Bachelor's degree in Law, obtained from National University of Rwanda. He is well-seasoned, effective team member & results-driven senior manager with a highly successful background in banking laws, insurance laws and company acts.

Prior to joining BOA Rwanda, Ephraim served in the capacity of Legal advisor at different financial institutions including; Access bank Rwanda, Bank Populaire du Rwanda and in the office of Prosecutor General of Rwanda under Ministry of Justice.

Alice UWINEZA is the Executive Head of Credit and has been serving Bank of Africa Rwanda for over 7 years overseeing all activities in Credit Department related to credit files approvals, credit portfolio monitoring, review of Bank's Credit Policies, procedures, recommend & implement changes where appropriate.

Trained in professional banker course, Alice is also experienced with a great and extensive technical and managerial background. Before joining BOA Rwanda, she worked in COGEBANQUE for over 10 years where she occupied different positions among them, Corporate Relationship Manager, Credit Analyst Supervisor and Deputy Head of Credit.

She holds a Bachelor's degree in Economics/Development Studies, a Masters in Banking sector (ITB), and undergone numerous training in banking and financial services offered by reputable institutions.

Ubald SESONGA is the Executive Head of Risk and Compliance and member of the Executive Committee of Bank of Africa Rwanda responsible for designing and implementing the Bank's risk management, compliance, and AML_CFT programs as well as loan portfolio monitoring and reporting.

He has accumulated 16 years of work experience in the financial sector particularly 11 years in risk management and compliance functions. He has a vast experience in developing and implementing risk management, compliance, and AML_CFT programs. He is also specialized in conducting risk assessments in different areas of the bank. In addition, he has experience in establishing remedial action plans for risks identified as well as drafting policies and procedures.

Prior to joining Bank of Africa, he supervised the Risk and Compliance Unit at Cogebanque. He also held different positions at the former Social Security Fund of Rwanda including being a Branch Manager and an Inspector. He holds a bachelor's degree in Business Administration from the former School of Finance and Banking (SFB) and is also a Certified Compliance Professional (ACCPA-Certified) and a Certified AML Specialist (CAMS).

Samuel NKUBITO is the Executive Head of Digital & Business Development. He is an accomplished senior banker with over 8 years' experience in corporate, retail, and SME banking. Prior to joining Bank of Africa, he held the role of Team Leader Corporate, Retail, and SME Banking at Equity Bank Rwanda PLC.

He has 16 years of work experience and is known for his ability to use customer service abilities to provide clients with a unique and beneficial experience.

His career path was established by many roles in various sectors, including working as a senior customs officer at Rwanda Revenue Authority and afterwards moving to RwandAir as the Operations Manager. He is highly skilled with solid academic background holding an MBA in Strategic management and BBA in Business Administration.

3 STRATEGY

STRATEGIC FOCUS AREAS

At the end of the 2019-2021 three-year plan, BANK OF AFRICA Group saw most of its financial indicators improving, notably the balance sheet average growth at 1,8 % and the net income Group share (RNPG) at 7,2 %.

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

In a context of regulatory strengthening leading to an increasing need of shareholders› equity, the new 2022-2024 Triennial Development Plan has an objective to concretize these ambitions through bold choices:

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

Strategy execution principles

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

IMPLEMENTATION OF OUR FINANCIAL STRATEGY

Our financial performance against our 3-year 2024 targets

In 2023, we noted a number of risks associated with various events outside of our control that significantly impacted our business, including heightened macroeconomic volatility.

Despite the challenging macro-environment, we made good progress in relation to our financial metrics in some domain against our 2023 targets.

Below is a summary of the progress we have made in relation to our financial targets in the fiscal year under review, measured against our 2023 targets.

Our Financial targets and performance linked to our strategic focus areas	2024 Targets	2023 Performance	2022 Performance	2023 against 2022	2023 against 2024 targets
Net impairement losses on loans and advances (in millions of Frw)	-1312	-3478	-1656	110.0%▼	-62.3%▲
Net interest income (in millions of FRW)	13881	10937	8636	26.6%▲	26.9%▲
Net Fees & commissions (in millions of Frw)	3660	2685	2033	32.0%▲	36.3%▲
Cost to income ratio	50.6%	50.8%	52.7%	-1.9%▲	-0.2%▲
RoA	2.7%	1.1%	1.7%	-0.6%▼	1.6%▲
RoE	21.4%	9.0%	13.2%	-4.2%▼	12.4%▲

Our 2023 performance compared to 2022 shows mitigated performances.

We have recorded a significant decrease in RoE and RoA of, respectively, -4.2% and -0.6%, while we have to bridge the wide gaps of 12.4% and 1.6% to hit the 2024 targets for those specific performance indicators.

In the same way, our performance in net interest income and net fees and commissions (respectively 26.6% and 32%) are beyond the remaining gap of 0.3% and 4.3% we need to cover to achieve the 2023 targets.

Again, we have managed to decrease our cost-to-income ratio to 50.8% (from 52.7% of 2022) and we are confident to repeat the same performance to achieve the 2024 target of 50.6%.
Net impairment losses on loans and advances increased due to some corporate files that went non-performing; there are expectations to decrease the cost of risk by 62.3% in 2024.

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

Non- nancial indicators (operational strategic plan)

Methodology

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

- Growth
- Productivity
- Profitability
- Risk management

For each initiative, the following elements should be defined:

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

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

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

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

VALUE CREATION THROUGH OUR PEOPLE

This year, the bank's management recognized elected employees for their exceptional dedication, significantly contributing to the bank's achievements and success. BANK OF AFRICA – RWANDA expressed appreciation by awarding certificates to the most dedicated staff of 2023 and named the Best Employee of the Year to further motivate others.

To ensure fair, competitive, and transparent remuneration for employees, the bank introduced as well a compensation policy which will also help in building a motivated, loyal, and high-performing workforce.

Reinforcing employee's capacities is a key success for better service delivery. it is in this context that the Bank sponsored 12 staff to pursue banking professional courses where 5 of them graduated.

Our beliefs:

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

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

Best employee of the year 2023

End year staff party 2023

CORPORATE SOCIAL RESPONSIBILITY

Bank and environmental cause

The bank is committed to creating a sustainable and prosperous future for all. To celebrate Tree Plantation Day, we collaborated with two schools in Kigali and Bugesera Districts to organize a tree planting activity, demonstrating our dedication to a greener world and a brighter future.

Blood Donation

In collaboration with RBC (Rwanda Biometric Centre), we organized a blood donation activity to commemorate World Blood Donor Day and support Rwandans, under the theme "give blood, give plasma, share life, and share often."

#KWIBUKA29

To commemorate the 29th commemoration of the 1994 Genocide against the Tutsi, a staff delegation visited the MUSANZE GENOCIDE MEMORIAL in Musanze District. The bank also donated cows to 10 families of the Genocide against the Tutsi survivors.

International Women's Day

BOA-Rwanda held a magnificent celebration on #IWD2023, the 8th of March, to honor the accomplishments, loyalty, and contribution of its women to the organization.

STAKEHOLDER **ENGAGEMENT APPROACH**

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

Our stakeholders include among others the following:

COLLEAGUES

Both current Rwandan Bankers and prospective employees

CUSTOMERS

Past, present and future customers

BUSINESS PARTNERS

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

REGULATORS

Sector and governmental regulators

SOCIETY

Society as a whole including media and financial commentators

Different commitments are defined toward the CSR in BOA:

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

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

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

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

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

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

RISK **MANAGEMENT**

OUR RISK MANAGEMENT PROCESS

Bank of Africa Rwanda PLC Risk assessment processes are originated from its Enterprise Risk Management Framework and based on the principles of three lines of defense. It is performed bank-wide by all bank's Units with the support from Risk and Compliance Function.

The ultimate objective of this bank-wide risk assessment is a proactive and intelligent Risk Management that protects the bank's value and promotes optimum risk-taking.

One of the objectives of the risk assessment is to come up with the bank Risk Profile. This risk profile gives an indication on the level capital required to cover the risks to which the bank is exposed to serve as shield to withstand any shock should it arise from the operating environment. In order to arrive at the risk profile and the consequential capital requirement, the bank goes through a number of processes:

The Risk identification which is a foundation of the ICAAP; the outcome of this process is the risk universe of the bank. The identified risks are then assessed / measured for their materiality; Material risks are quantified using measurement methodologies or

RISK UNIVERSE

The Internal capital adequacy assessment process requires us to carry out an in -depth risk assessment at each year-end. The end year 2023 assessment came out with eight principal risks. Of them, three are recognized as material risks and five as less material. The bank has split the risk universe into two Pillars as per ICAAP:

- **Pillar I risks comprises Credit Risk, Market Risk and Operational Risk,**

- **Pillar II risks include Liquidity risk, Concentration risk, interest rate risk in the banking book, Reputational risk, compliance risk and strategic risk.**

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

Risk	Risk Identification, Mitigation And Control	Link To Capital
Credit Risk Credit Risk is a risk of a counterparty failing to meet its contractual obligations towards the bank and the risk that the pledged collateral does not cover the claims.	The bank identifies credit risk as per its credit risk procedures and guidelines. Credit mitigation techniques are used including collaterals for exposures, guarantees etc. The Bank reduces its Credit risk by collateralizing its credit exposures. The bank value Collateral though the latter is not recognized from a capital adequacy computation perspective. The collateral, its value and its mitigating effects are considered throughout the credit assess- ment and management processes. The Bank collaterals include Pledges and guarantees. Real Estate is the main type of Pledges. Prudential limits have been set by the Board of Directors and implemented by Management per single obligor, Sector, coun- terparties ect. Regular portfolio reviews by auditors, compliance teams enhance the control environment of credit.	Financial
Market Risk Market Risk is the risk on the bank's earnings and or capital due to changes in market factors.	The bank has established market risk policies and procedures and processes to identify, mitigate and control market risks that arise within its banking book bearing in mind that the bank does not maintain a trading book. Business units and functions, in the process of carrying out their daily activities, ensure that the principles and policies for Market risk management are adhered to and business risk managers have the responsibility of reporting immediately any event that could trigger market risk or could breach any market risk limit to Risk management and compliance department for necessary support and risk treatment. The market risk is controlled through its established policies and limits as well as the overall governance structure of the bank	Financial

Operational Risk Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	The operational risk is identified though its operational risk policy and procedure framework. The bank uses the 'Risk and Control self-assessment (i.e. RCSA)' to identify any risk inherent to its people, process and systems or any external event. All identified risks are controlled or mitigated by our operational risk and operations procedures in areas of cash management, account opening, payments and processing.	Financial
Liquidity risk Liquidity risk is the risk of the bank not being able to meet its payments obligations when they fall due and without incurring considerable additional cost for raising funds or the risk of incurring losses because of fire-sale of assets	The bank identifies its liquidity risk through implementation of its policy and daily review of the liquidity position and computation liquidity metrics including but not limited to Liquidity coverage ratio, Net stable funding ratio, Loan to deposit ratio, liquidity mismatch to overall liquidity outflows, etc. The Liquidity risk is mitigated by strongly upholding prudential policy limits, close monitoring of liquidity by middle office. The bank has an Intraday liquidity governance to ensuring that intraday payment and settlement obligations are met in a timely manner. The bank has established methodologies and systems to ensure that those obligations are fulfilled under normal and stressed conditions during the day. The bank manages intraday liquidity as follows: a) Measuring daily liquidity inflow and outflow b) Monitoring intraday liquidity position c) Funding intraday liquidity needs d) Managing the timing of liquidity outflow	Financial
Concentration risk Concentration risk is any exposure that may arise within its different risk categories and that has potential to produce losses that threaten its earnings and or capital	BOA Rwanda has established strategies and processes to manage its IRRBB that arise within its banking book. The interest rate risk management is guided by the market risk policy and risk appetite statement and limits. The Board of directors has delegated to senior management the responsibility of managing IRRB on a daily basis	Financial
Interest rate risk in the banking book (IRRBB) Interest Rate in the banking book is the current and prospective risk to the bank capital or earnings arising from adverse movements in the interest rates that affect the banking book positions.	and Management ALCO discusses, on The Bank identifies its concentration risks by monitoring exposures limits and though monitoring implementation of strategic risk policies and the competitive environment. The risk is mitigated and controlled through regular reviews of the strategic difference numbers, performance reviews, etc. A monthly basis, the banking positions and risks that may arise from those positions.	Financial
Reputational risk Reputational risk is any event that could damage stakeholders trust in and respect towards an organization and thus leading to loss that affects its earnings and capital	The bank proactively protects itself against reputation damaging events and effectively deals with those events whenever they occur. The Bank's reputational risk is guided by the reputational risk management policy and risk appetite both approved by the Board of directors. The Board has delegated its responsibility to senior management for implementing the policy and observing the risk appetite framework.	Financial
Compliance risk Compliance risk is the current and prospective risk to earnings or capital arising from violations or, or non-conformance with laws, rules, regulations, prescribed practice or ethical standards issued by the regulator from time to time.	The Compliance risk is identified through regular compliance checks which are done through toolkits by the compliance team which identifies warning signs. The risk identified or compliance gaps are assigned action plans to mitigate the risk or remediation of the gap if the risk has materialized. The mitigation mechanisms are done through regular checks and balances and verifications approval process implemented bank wide.	Financial

Strategic risk Strategic risk is the current and prospective risk on earning or capital arising from adverse business actions, improper implementation of decisions or lack of responsiveness to industry changes. It is also a risk of not meeting business targets and falling behind competition.	Strategic risk is identified through regular review of the bank performance against its business targets, industry competitive indicators. The risk is mitigated and controlled through business targets and performance appraisals and strategic meetings hold to discuss strategic direction of the bank	Financial

4 BUSINESS

OUR BUSINESS MODEL

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

Inputs

FINANCIAL CAPITAL

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

HUMAN CAPITAL

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

INTELLECTUAL CAPITAL

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

MANUFACTURED CAPITAL

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

NATURAL CAPITAL

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

SOCIAL AND RELATIONSHIP CAPITAL

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

Activities shaped by the ext
drivers o

ternal environment and key of change

Outcomes

FINANCIAL CAPITAL

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

HUMAN CAPITAL

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

INTELLECTUAL CAPITAL

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

MANUFACTURED CAPITAL

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

NATURAL CAPITAL

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

SOCIAL AND RELATIONSHIP CAPITAL

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

PRODUCTS FOR CUSTOMERS

- Current account
- TUNGA Saving account
- UMURAGE Saving account
- UMUHIGO Saving account
- Fixed Term deposit
- Mobile Banking
- SMS Alert
- Internet and Mobile Banking
- Visa debit card (Blue card)
- Visa debit card (Elite card)
- Overdraft
- Salary Advance/ Personal Loan
- Car Loan
- Iga Loan
- Mortgage
- Business loan
- Asset finance
- Construction loan
- Contract finance
- Seasonal activities finance
- Bonds/Guaranties
- Invoice discounting loan
- Isanzure Current account
- Affordable housing
- Push and Pull

Lorem ipsum

SALES AND **SERVICE CHANNELS**

BRANCHES

Our aim within branch banking is to provide customers with the best possible advice and service that we can. We carefully consider the need for the opening and closing of branches and currently we are also ensuring that we secure competitive property rentals, as we re-negotiate rental agreements.

ATM

ATM is one of our service channels which are creating greater convenience for our customers, as they allow our customers to bank 24/7.

MOBILE BANKING

Our vision is for all our customers to register with us online and engage regularly, using our digital channels for all their banking and related services.
We continuously improve the features of our Mobile banking service to meet this target.

INTERNET BANKING

Like Mobile Banking, Internet Banking is another digital channel which provides the means for our customers to conveniently engage with us anytime, anywhere.

REPORT ON CUSTOMER SATISFACTION

Customer Service Week is an annual event that recognizes the pivotal role played by customer service in the success of any business.
This event has a double effect: on one hand, it highlights and celebrates the importance of quality in the work of teams, on the other hand, tells customers how much they are at the heart of our business.

This year, we went above and beyond in celebrating both our clients and staff across all our branches in the country during the entire week dedicated to clients. The bank's commitment to exceptional service was on full display as we showed appreciation to those who make it all possible.

The bank also conducted trainings on delivering and improving effective customer service to all staff to maximise the quality of service given to the customers.

Below pictures displaying how customers were celebrated and recognized.

ESSENTIAL **ACTIVITIES 2023**

Bank of Africa has provided significant support to the communities where our branches are located. We have funded Mutual Health Insurance for families across various districts, and donated additional funds to assist vulnerable individuals living with diabetes. These initiatives underscore our commitment to enhancing the well-being and health of the communities we serve.

BANK OF AFRICA – RWANDA announced the appointment of Mr. Vincent ISTASSE as the new Managing Director. Mr. Vincent ISTASSE brought -with him a distinguished career and an impressive record of achievement in the banking sector. His extensive experience, strategic vision, and dedication to customer-centric principles align seamlessly with BANK OF AFRICA – RWANDA's mission to serve our customers with efficiency and courtesy, and to promote growth and stability of the economies that we operate in. This transition marked a significant milestone in the bank's continued commitment to delivering exceptional financial services and fostering innovation in the industry as driven by Rwanda’s sustainable development goals.

New Managing Director
Mr.Vincent ISTASSE

Handover between the previous Managing Director and the new Managing Director

BRANCH **NETWORK**

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

REMERA BRANCH
Land trade house – KG 11 AVE
P.O.BOX 265 - Kigali – RWANDA
Mobile (250) 788 13 62 65
BRemera@boarwanda.com.

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

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

KIMIRONKO BRANCH
Promise house – KG 11 AVE
P.O.BOX 265 - Kigali – RWANDA
Mobile (250) 788 13 62 66
BKimironko@boarwanda.com.

KAYONZA BRANCH
RN3, P.O.BOX 265,
Kigali Phone: (250) 788 13 62 69
BKayonza@boarwanda.com.

MUHANGA BRANCH
RN1-P.O.BOX 256-Kigali-Rwanda
Tel: 788 13 62 70
Email: bmuhanga@boarwanda.com

RUSIZI BRANCH
RN6-P.O.BOX 265
Kigali – RWANDA
Phone: (250) 788 13 62 74 E
mail: BRusizi@boarwanda.com

RUBAVU BRANCH
RN4- P.O.BOX 265 –
Kigali – RWANDA
Mobile: (250) 788 13 62 73
Email: BRubavu@boarwanda.com

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

HUYE BRANCH
RN1 – P.O.BOX 265 –
Kigali – RWANDA |
Mobile: (250) 788 13 62 71
Email: Bhuye@borwanda.com

NYARUGENGE BRANCH
K.I.C house KG 11 AVE
P.O. Box 265, Kigali – RWANDA
Mobile: (250) 788 13 62 61
BNyarugenge@boarwanda.com

MAIN BRANCH
Chic complex ground floor
KN2 Nyarugenge
P.O. Box 265 – Kigali – RWANDA
Mobile: (250) 788 13 62 60
Email: Info@boarwanda.com

GISOZI BRANCH
Umukindo House KG693 st,
P.O. Box 265, Kigali
Phone: (250) 788 136 264
Email: bgisozi@boarwanda.com

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

EXTERNAL **ENVIRONMENT**

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

- Low disposable income
- Low saving culture
- Majority is made of children, students and unemployed
- Concentrated market
- Low purchasing power
- High number of Retail customers are in informal and not very stable institutions
- High labor turnover due to margins and acquisitions
- High competition from commercial banks and Telcos affecting pricing

5 PERFORMANCE

BUSINESS AND FINANCIAL **PERFORMANCE OVERVIEW**

The year 2023 was characterized by mitigated performances. Total assets show a slight increase of 5.7% resulting from a slow growth in loans and other interest-bearing assets.

Loans grew by 6.5% whereas short term placements with other financial institutions reduced by 100%. On the other hand, the bank started the process of reducing investment in government securities in order to concentrate more on loans to clients.

However, the bank managed to increase clients' deposits significantly which allowed a reduction in borrowings from other banks; this had a positive impact on the interest expense paid.

The bank pursued its good policy in terms of strict control of operating expenses which resulted in reduction of the cost to income ratio from 52.7% to 50.8%.

In 2023, the cost of risk increased significantly due to three corporate files that fell into non-performing status causing the net profit to be less than expected.

BANK OF AFRICA – RWANDA remains focused on growth as well as strengthening its position on the Rwandan banking market.

Key Figures 2023	2022	2023	variation
Activity			
Deposits	87,877	115,006	30.9%
Loans	68,241	72,698	6.5%
Number of branches at the end of the financial year	14	14	0.0%
Structure			
Total Assets	158,863	167,318	5.3%
Shareholders' equity	19,903	21,116	6.1%
Number of employees at the end of the financial year	194	199	2.6%
Solvability			
Tier 1	19,015	19,916	
Tier 2	1,700	1,587	
Risk Weighted Asset (RWA)	92,931	92,680	
Tier 1 + Tier 2 / RWA	22.3%	23.2%	
Income			
Operating income	10,380	13,256	27.7%
Operating expenses (including depreciation and amortization)	-5,620	-6,918	23.1%
Net operating profit	4,760	6,338	33.1%
Cost of risk in value	-1,656	-3,478	110.0%
Income tax (expense)/credit	-678	-1,041	53.6%
Profit after tax	2,426	1,819	-25.0%
Operating ratio (%)	52.7%	50.8%	
Cost of credit risk (%)	-3.1%	-4.9%	
Return on Assets (ROA %)	1.7%	1.1%	
Return on Equity (ROE %)	13.0%	8.9%	

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

DIRECTORS' **REPORT**

The Directors submit their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of Bank of Africa Rwanda Plc. (the "Bank" or "Company").

PRINCIPAL **ACTIVITIES**

The principal activity of Bank of Africa Rwanda PLC is provision of banking services. The bank has a total of 14 branches and 1 outlet.

RESULTS AND **DIVIDENDS**

The bank reported a profit for the year of Frw 1,819,343,000 (2022: Frw 2,426,364,000) which has been added to the accumulated losses. The Directors do not recommend the payment of a dividend for the year ended 31 December 2023 (2022: Nil).

AUDITOR

PwC was appointed as auditor of the Bank commencing 2023 in accordance with Regulation No 14/2017 of 23/11/2017 on accreditation requirements and having served a 3-year term is eligible for re-appointment.

By order of the board

Emmanuel NTAGANDA
02.04.2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BANK OF AFRICA RWANDA PLC

Report on the Audit of the Financial Statements

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Bank of Africa Rwanda Plc (the "Bank") as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

What we have audited

The Bank's financial statements on pages 13 to 74 comprise:

-The statement of financial position as at 31 December 2023;
- The statement of profit or loss and other comprehensive income for the year then ended;
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended; and
- The notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Key audit matters

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

PWC Rwanda Limited
5th Floor, Blue Star House,
35 KG 7 Ave, Kacyiru

P.O Box 1495 Kigali, Rwanda
Telephone +250 (252) 588203/4/5/6
Internet: www.pwc.com/rw

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

pwc

PWC Rwanda Limited
5th Floor, Blue Star House,
35 KG 7 Ave, Kacyiru

P.O Box 1495 Kigali, Rwanda
Telephone +250 (252) 588203/4/5/6
Internet: www.pwc.com/rw

Key audit matter	How the matter was addressed in our audit
- The appropriateness of forward-looking information used in the model, and the relevance of forward-looking information used in the models. Due to the significant impact of management judgments applied in calculating the ECL, we designated this as a key audit matter in our audit.	- For forward-looking assumptions, we corroborated the assumptions using publicly available information, and - We assessed whether the disclosures in the financial statements on the key judgments and assumptions were adequate.

Other Information

Directors are responsible for the other information. The other information comprises Corporate information, Report of the directors, Statement of directors' responsibilities and the Appendix which we obtained prior to the date of this auditor's report, and the other information that will be included in the intergrated report which is expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon.

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

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

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

Other matter

The financial statements of the Bank for the year ended 31 December 2022 were audited by another firm of auditors whose report, dated 30 March 2023, expressed an unmodified opinion on those statements.

PWC Rwanda Limited
5th Floor, Blue Star House,
35 KG 7 Ave, Kacyiru

P.O Box 1495 Kigali, Rwanda
Telephone +250 (252) 588203/4/5/6
Internet: www.pwc.com/rw

Responsibilities of Directors for the financial statements

Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of Law No. Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 , and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

PWC Rwanda Limited
5th Floor, Blue Star House,
35 KG 7 Ave, Kacyiru

P.O Box 1495 Kigali, Rwanda
Telephone +250 (252) 588203/4/5/6
Internet: www.pwc.com/rw

Report on other legal and regulatory requirements

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

(i) We have no relationship, interest or debt with the Bank. As indicated in our report on the financial statements, we have complied with the required ethical requirements. These are the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) which includes comprehensive independence and other requirements,

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

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

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

(v) According to the best of the information and the explanations given to us as auditor, as shown by the accounting and other documents of the Company, the annual accounts comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

For PricewaterhouseCoopers Rwanda Limited, Kigali,

Brian Ngunjiri

Brian Ngunjiri
Director

CERTIFIED TRUE COPY
OF THE ORIGINAL DOCUMENT
SIGNED........BN
DATE........2/4/2024
pwc PwC Rwanda Limited

Statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Notes	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
Interest revenue calculated using the effective			
Interest method	4	19,231,063	13,888,147
Interest income	4	31,221	316,679
Interest expense	5	(7,362,238)	(4,943,549)
Net interest income		**11,900,046**	**9,261,277**
Fee and commission income	6	1,585,035	1,178,237
Fee and commission expense	7	(664,510)	(371,955)
Net fee and commission income		**920,525**	**806,282**
Trading income	9 (a)	1,142,502	498,600
Foreign exchange loss	9 (b)	(557,805)	(142,351)
Other net operating expense	8	(348,756)	(295,436)
		235,941	**60,813**
Total operating income		**13,056,512**	**10,128,372**
Allowance for expected credit losses	11 (b)	(3,477,544)	(1,655,981)
Net operating income		**9,578,968**	**8,472,391**
Operating expenses			
Staff cost	10	(3,240,760)	(2,471,201)
Depreciation and amortization	18,11)	(663,163)	(612,705)
Operating expenses	11 (a)	(2,814,527)	(2,284,331)
		(6,718,450)	**(5,368,237)**
Profit before income tax		**2,860,518**	**3,104,154**
Income tax expense	12	(1,041,175)	(677,790)
Profit and total comprehensive income for the year		**1,819,343**	**2,426,364**

The notes on pages 13 to 74 form an integral part of these financial statements.

Statement of financial position as at 31 December 2023

	Notes	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
ASSETS			
Cash and balances with National Bank of Rwanda	13	10,747,513	8,986,008
Deposits and balances due from other banking institutions	14	304,839	682,899
Deposits due from financial institutions abroad	25	7,999,791	3,021,500
Other assets	16	1,940,552	4,247,260
Government securities	15	69,146,239	68,263,292
Loans and advances to customers	17	72,698,105	68,240,577
Non-current assets held for sale	30	-	480,000
Property and equipment	18	1,250,755	1,163,405
Right-of-use assets	29	1,278,574	1,749,817
Intangible assets	19	1,224,893	888,148
Deferred tax asset	12	726,951	533,400
Total assets		**167,318,212**	**158,256,306**
LIABILITIES			
Balance due to National Bank of Rwanda	20	52,078	49,689
Customer deposits	21	115,005,766	87,876,925
Deposits due to financial institutions	22	85,422	80,828
Current income tax		72,858	898,213
Other liabilities	24	2,915,255	2,151,710
Lease liabilities	29	1,871,777	2,150,428
Borrowings	23	26,199,332	45,752,131
Total liabilities		**146,202,488**	**138,959,924**
EQUITY			
Share capital	26	20,000,000	20,000,000
Share premium	26	871,740	871,740
Retained earnings		243,984	(1,575,358)
Total equity		**21,115,724**	**19,296,382**
Total equity and liabilities		**167,318,212**	**158,256,306**

See note 36 for details regarding the restatement.

The notes on pages 14 to 79 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 December 2023

	Share capital Frw'000	Share premium Frw'000	Accumulated losses Frw'000	Total equity Frw'000
At 1 January 2022	**20,000,000**	**871,740**	**(3,394,732)**	**17,477,008**
As previously reported prior year adjustments			(606,990)	(606,990)
As restated Profit and total comprehensive income for the year	20,000,000 -	871,740 -	(4,001,722) 2,426,364	16,870,018 2,426,364
At 31 December 2022	**20,000,000**	**871,740**	**(1,575,358)**	**19,296,382**
At 1 January 2023 As previously reported	**20,000,000**	**871,740**	**(968,368)**	**19,903,372**
prior year adjustments			(606,990)	(606,990)
As restated Profit and total comprehensive income for the year	20,000,000 -	871,740 -	(1,575,358) 1,819,343	19,296,382 1,819,343
At 31 December 2023	**20,000,000**	**871,740**	**243,984**	**21,115,724**

See note 35 for details regarding the restatement.

The notes on pages 13 to 74 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2023

	Notes	31-Dec-23 Frw'000	31-Dec-22 Frw'000
Cash flows from operating activities:			
Profit before income tax		2,860,518	3,104,154
Adjustments for:			
Depreciation on property and equipment	18	360,420	332,092
Depreciation on right-of-use assets	11	248,714	212,878
Amortization of intangible assets	19	302,706	280,614
Unrealized foreign exchange loss		557,805	142,350
Impairment loss allowance-loans		3,255,878	931,807
Impairment loss allowance-other financial instruments	11	1	7
Net movement in fair valuation and modification gain/loss		(182,111)	(51,031)
Net interest income		(18,024,810)	(12,979,561)
Interest expense		7,117,843	4,660,107
Gain/loss on disposal of fixed assets		(3,148)	(530)
Finance cost on lease liabilities		244,395	283,442
Cash flows from operating activities before changes in operating assets and liabilities		**(3,261,789)**	**(3,083,671)**
Changes in operating assets and liabilities:			
Increase in loans and advances		**(4,457,528)**	**(30,268,093)**
Increase in other assets		2,306,708	(3,951,602)
Increase in customer deposits		27,128841	37,386,182
Increase in deposits due to other banks		4,594	9,642
Increase/(Decrease) in other liabilities		763,545	1,032,198
Changes in accrued interest income/expense		9,047,283	7,205,527
		34,793,443	11,413,854
Interest income received		14,500,155	9,823,254
Interest expense paid		(5,478,499)	(2,779,911)
Tax paid		**(1,161,868)**	
Cash generated /(utilized) in operating activities		**39,391,442**	15,373,526
Cash flows from investing activities:			
Purchase of property and equipment	18	(454,383)	(193,679)
Acquisition of government securities	15	(10,264,693)	(40,920,329)
Proceeds from matured government facilities		3,202,500	6,148,257
Purchase of intangible assets		(633,666)	(152,952)
Acquisition of non-current asset held for sale		-	(480,000)
Proceeds from sale of non-current asset held for sale		300,000	-
Proceeds from disposal of fixed assets		-	2,089
Net cash used in investing activities		**(7,850,242)**	(35,596,614)
Cash flows used in financing activities:			
Proceeds from borrowings	23	2,494,681,813	1,517,813,124
Borrowing repayments	23	(2,514,089,376)	(1,526,601,858)
Lease payment		(510,150)	(3,005)
Capital increase		-	(489,635)
Net cash (used in)/generated from financing activities		**(19,917,713)**	(9,281,374)
Effects of exchange rates		(191,999)	(159,786)
Net (decrease)/ increase in cash and cash equivalents		**11,431,488**	(29,664,248)
Cash and cash equivalents at start of year		10,421,031	40,085,279
Cash and cash equivalents at 31 Dec 2023	28	**21,852,519**	**10,421,031)**

The notes on pages 14 to 79 are an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

1. Basis of preparation

1.1 Reporting Entity

Bank of Africa Rwanda Plc (the "bank") is a limited liability company incorporated and domiciled in Rwanda. The Bank's registered office is at:
Bank of Africa Rwanda PLC
KN 2 Nyarugenge
Nyarugenge, Chic Complex
P.O Box 265
Kigali
Rwanda

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

1.2 Basis of accounting

The financial statements are prepared in accordance with the International Financial Reporting Standards, in the manner required by Law no. 007/2021 of 05/02/2021 Governing Companies in Rwanda and Regulation N° 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks in Rwanda.

1.3 Functional and presentation currency

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

1.4 Use of judgements and estimates

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

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

A. Judgements

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

– *Note 2(g) (vii):*establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL
.
– *Notes 2(g) (ii):* classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

B. Assumptions and estimation uncertainties

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

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

1.5 Changes in accounting policies

i) New standards, amendments, and interpretations effective and adopted as at 1 Jan 2023

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts	Annual periods beginning on or after 1 January 2023 (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract. *This adoption has not materially impacted the bank.*
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard. Further detailed information is available at the following link: In Brief June 2020. *This adoption has not materially impacted the bank.*

Number	Effective date	Executive summary
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. ***This adoption has not materially impacted the bank.***
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates. ***This adoption has not materially impacted the bank.***
Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules	The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately.The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. (Published May 2023)	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. ***This adoption has not materially impacted the bank.***

ii) New and amended standards issued but not yet effective

Number	Effective date	Executive summary
Amendments to IAS 1 - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16 – Leases on sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Number	Effective date	Executive summary
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations..
The bank does not anticipate material impact upon the adoption of these standards.		

2. Material accounting policies

a) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or loss. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the available-for-sale reserve in equity.

b) Lease

The determination of whether an arrangement is, or

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

Bank as the lessee
At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

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

c)Interest income and expense

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.
Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest that was used to discount the future cash flows for the purpose of measuring the impairment loss.

d)Fees and commission

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

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

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

e)Operating expenses

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

f)Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification

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

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Bank's management;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.
In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Contingent events that would change the amount and timing of cash flows;

- Leverage features;

- Prepayment and extension terms;

- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and

- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

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

iii. Derecognition

Financial assets

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

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

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

Financial liabilities

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

iv. Modifications of financial assets and financial liabilities

Financial assets

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

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

– Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

– Other fees are included in profit or loss as part of the gain or loss on derecognition.

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

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

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

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

Financial liabilities

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

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

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

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

v. Offsetting

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

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

vi. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.
When one is available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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

vii. Impairment

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

- Financial assets that are debt instruments;
- Financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss is recognised on equity investments.

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

- Debt investment securities that are determined to have low credit risk at the reporting date; and

- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Bank considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Bank does not apply the low credit risk exemption to any other financial instruments. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

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

Measurement of ECL

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

– Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);

– Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

– Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and

– Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

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

– Financial assets other than purchased or originated credit-impaired (POCI) financial assets: the original effective interest rate or an approximation thereof;

– POCI assets: a credit-adjusted effective interest rate;

– Undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and

– Financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risk s that are specific to the cash flows.

Restructured financial assets

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

– If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

– If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

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

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

– Significant financial difficulty of the borrower or issuer;

– A breach of contract such as a default or past-due event;

– The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– It is becoming probable that the borrower will enter bankruptcy or another financial reorganisation; or

– The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.
In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.
In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors.

– The market's assessment of creditworthiness.

– The rating agencies' assessments of creditworthiness.

– The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

– The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

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

– Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

– Loan commitments and financial guarantee contracts: generally, as a provision;

– Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

– Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in retained earnings.

g)Non-current assets held for sale

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

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

h)Property and equipment

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

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

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

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

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in "other income" in the Statement of profit or loss.

(J)Intangible assets

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

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

(k)Income tax

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

Current income tax

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

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

Deferred income tax

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

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

(l)Cash and cash equivalents

Cash and cash equivalents comprise balances with three months or less to maturity from the date of acquisition, including: notes and coins on hand, unrestricted balances deposited with the National Bank of Rwanda and highly liquid assets, subject to insignificant risk of changes in their fair value. The amounts are available on demand.
Cash and cash equivalents are carried at amortized cost in the statement of financial position.

(m)Employee benefits

(i) Retirement benefit obligations

The Bank operates a defined contribution retirement benefit scheme for all its permanent confirmed employees. The Bank and all its employees also contribute to the Rwanda Social Security Board, which is a defined contribution scheme.

The Bank's contributions to the defined contribution schemes are charged to the Statement of comprehensive income in the year in which they fall due.

(ii) Other entitlements

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

(n)Borrowings

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

(o)Share capital and share premium

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

(p)Other operating income

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

(r)Accumulated losses/ retained earnings

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

(s)Financial guarantees

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

(t)Provisions

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

(u)Deposits

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

3.Financial Risk management

The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations.

The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

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

3.1 Credit risk

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

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

i. Exposure to credit risk

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

	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
ASSETS		
Balances with National Bank of Rwanda	4,313,392	6,036,336
Deposits and balances due from other banking institutions	304,839	682,899
Deposits due from financial institutions abroad	7,999,791	3,021,500
Government securities	69,146,239	68,263,292
Loans and advances to customers	72,698,105	68,240,577
	154,462,366	**146,244,604**

ii. Credit quality analysis

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

31 December 2023

Loans and advances	IFRS 9 12-month PD ranges	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Grades 0-29 days: Normal	0-0.28	69,693,681	-	-	69,693,681
Grades 30-89 days: Watch	0.29-99.99	-	3,602,549	-	3,602,549
Grades >90 days: Defaultt	100.00	-	-	5,737,914	5,737,914
Gross carrying amount		69,693,681	3,602,549	5,737,914	79,034,144
Loss allowance		(1,433,336)	(154,123)	(4,748,580)	(6,336,039)
Carrying amount		**68,260,345**	**3,448,426**	**989,334**	**72,698,105**

31 December 2022

Loans and advances	IFRS 9 12-month PD ranges	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Grades 0-29: Normal	0-0.28	62,644,224	-	-	62,644,224
Grades 30-89: Watch	0.29-99.99	-	2,800,368	-	2,800,368
Grades >90: Default	100.00	-	-	6,058,256	6,058,256
Gross carrying amount		62,644,224	2,800,368	6,058,256	71,502,848
Loss allowance		(1,024,663)	(77,434)	(2,160,174)	(3,262,271)
Carrying amount		**61,619,561**	**2,722,934**	**3,898,082**	**68,240,577**

Government Securities	Audited 2023 Frw'000	Audited 2022 Frw'000
	Stage 1	**Stage 1**
Gross carrying amount	69,693,556	68,835,457
Impairment on government securities	(547,317)	(572,165)
Carrying amount	**69,146,239**	**68,263,292**

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

Other financial instruments	2023 Frw'000	2022 Frw'000
	Stage 1	**Stage 1**
Deposits and balances due from other banking institutions	304,839	682,899
Deposits due from financial institutions abroad	8,004,106	3,025,683
Gross carry amount	8,308,945	3,708,582
Loss allowance	(38,174)	(4,183)
Carrying amount	**8,270,771**	**3,704,399**

Guarantees and commitments	**2023 Frw'000**	**2022 Frw'000**
	Stage 1	**Stage 1**
Gross carrying amount	1,086,955	10,488,963
Loss allowance	(62)	(10,806)
Carrying amount	**10,478,157**	**10,478,157**

Internal rating grades and prudential rating grades

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

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

Collateral held and other credit enhancements

The Bank employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Bank has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Bank prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

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

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

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

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

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

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

	2023		**2022**	
	Carrying amount In Frw'000	**Collateral In Frw'000**	**Carrying amount In Frw'000**	**Collateral In Frw'000**
Stages 1 and 2	53,344,061	115,507,582	64,342,495	98,044,676
Stage 3	19,354,044	6,145,403	3,898,082	14,108,937

iii. Write-off policy

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

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

iv. Modification of financial assets

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue.

These policies are kept under continuous review. Restructuring is most commonly applied to term loans. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset.

The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

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

Financial assets modified during the year	31-Dec-23 FRw'000	31-Dec-22 FRw'000
Amortized cost before modification	3,026,155	5,373,797
Net modification gain	1,982	65,704
	3,028,137	**5,439,501**

v. Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

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

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk grade deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

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

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures.
The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.
The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition based on whether the client is above 30 days past due and qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgement and relevant historical experiences. Management overlays may be applied to the model outputs if consistent with the objective of identifying a significant increase in credit risk.

Definition of default

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

The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);

- The borrower is more than 90 days past due on any material credit obligation to the Bank.

- Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or

- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

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

- Qualitative: e.g. breaches of covenant;

- Quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and

- Based on data developed internally and obtained from external sources.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.
The Bank formulates three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies, monetary authorities and supranational organisations such as the International Monetary Fund.

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

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

31 December 2023	Upside	Central	Downside
Scenario probability weighting	10%	20%	70%
31 December 2022	**Upside**	**Central**	**Downside**
Scenario probability weighting	10%	20%	70%

Loss allowance

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

2023 Loans and advances to customers	**Stage I 12 - Month ECL FRW'000**	**Stage II Lifetime ECL FRW'000**	**Stage III Lifetime ECL FRW'000**	**Total FRW'000**
Balance as at 1 January	2,643,841	200,947	417,483	3,262,271
Stage transfer				
Stage 1 to stage 2	15,118	(15,118)		-
Stage 1 to stage 3	(931,326)		931,326	
Stage 2 to stage 3		(101,469)	101,469	-
Stage 2 to stage 3				-
Stage 2 to stage 1	7,223	(7,223)		-
Stage 2 to stage 1				-
Stage 2 to stage 1				-
Stage 3 to stage 2		(11,870)	11,870	
Stage 3 to stage 1	(6,495)		6,495	
Allowance on new loans and advances	794,655	70,683	313,353	1,178,691
Allowance on off-balance sheet exposures	61			61
Charge during the year	370,793		1,413,059	1,783,852
Modification gain/(loss) and staff discount	404,978	-	-	404,978
Write off during the year	-	-	(222,622)	(222,622)
Matured loans	(38,521)	(8,824)	(23,847)	(71,192)
Balance as at 31 December	**3,260,327**	**127,126**	**2,948,586**	**6,336,039**

2022 Loans and advances to customers	**Stage I 12 - Month ECL FRW'000**	**Stage II Lifetime ECL FRW'000**	**Stage III Lifetime ECL FRW'000**	**Total FRW'000**
Balance as at 1 January	1,222,198	114,114	407,063	1,743,375
Stage transfer				
Stage 1 to stage 2	(51,058)		-	-
Stage 2 to stage 3	-	(731,222)	731,222	-
Stage 2 to stage 3	-	(239,549)	239,549	-
Stage 2 to stage 1	12,326	(12,326)	-	-
Stage 2 to stage 1	462	(462)	-	-
Stage 2 to stage 1	(261)	261	-	-
Allowance on new Loans and advances	726,110	54,348	345,106	1,125,564
Allowance on off-balance sheet exposures	6,676	-	-	6,676
Charge during the Period	178,820	973,549	330,625	1,482,994
Modification gain/(loss) and staff discount	587,089	-	-	587,089
Write off during the Period	-	-	(1,612,235)	(1,612,235)
Matured loans	(38,521)	(8,824)	(23,847)	(71,192)
Balance as at 31 December	**2,643,841**	**200,947**	**417,483**	**3,262,271**

Credit-impaired financial assets

The following table sets out a reconciliation of changes in the gross amount of credit impaired loans and advances to customers.

	2023	2022
Credit impaired loans and advances to customers at 1 January	6,058,255	2,766,264
Change in ECL allowance	(599,251)	(134,223)
Classified as credit-impaired during the year	495,229	4,313,239
Transferred to not-credit-impaired during the year	(292,892)	(1,610,728)
Net repayment	-	(162,705)
Recoveries of amounts previously written off	76,573	886,408
Credit impaired loans and advances to customers at 31 December	**5,737,914**	**6,058,255**

vi. Concentration of credit risk

Concentration by sector

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

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

	31-Dec-23 FRw'000	Percentage	31-Dec-22 FRw'000	Percentage
Overdraft	21,419,799	27.10%	18,272,895	25.56%
TTreasury loan	19,052,976	24.11%	20,161,307	28.20%
Agriculture loans	6,752,413	8.54%	10,543,737	14.75%
Equipment loan	5,343,840	6.76%	3,248,865	4.54%
Consumer loan	2,311,205	2.92%	1,753,728	2.45%
Mortgage loan	24,022,259	30.39%	17,413,384	24.35%
Education Loan	131,652	0.17%	108,932	0%
	79,034,144	**100%**	**71,502,848**	**100%**

Concentration by sector

	31-Dec-23 FRw'000	Percentage	31-Dec-22 FRw'000	Percentage
Gikondo	1,282,838	1.62%	1,107,115	1.55%
Gisozi	1,742,785	2.21%	2,562,804	3.58%
Huye	3,014,740	3.81%	2,518,416	3.52%
Kabuga	1,692,627	2.14%	1,649,720	2.31%
Kayonza	919,354	1.16%	861,174	1.20%
Kimironko	1,902,642	2.41%	993,006	1.39%
Main Branch	42,357,792	53.59%	36,462,207	50.99%
Muhanga	1,415,643	1.79%	1,229,229	1.72%
Musanze	2,264,177	2.86%	1,966,302	2.75%
Nyabugogo	4,128,673	5.22%	3,550,031	4.96%
Nyarugenge	3,982,263	5.04%	3,619,712	5.06%
Remera	5,680,689	7.19%	7,269,634	10.17%
Rubavu	2,347,991	2.97%	2,563,735	3.59%
Rusizi	6,301,932	7.97%	5,149,763	7.20%
	79,034,146	**100%**	**71,502,848**	**100%**

Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities as they fall due and to replace funds when they are withdrawn.
The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The National Bank of Rwanda requires that the Bank maintains a cash reserve ratio. In addition, the Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. The Treasury department monitors liquidity ratios on a daily basis. Sources of liquidity are regularly reviewed by a separate team in the Treasury department to maintain a wide diversification by provider, product and term. In addition, the Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. The Treasury department monitors liquidity ratios on a daily basis.

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

Exposure to liquidity risk

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

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

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

	31-Dec 2023	31-Dec 2022
At 31 December		
Average for the period	182%	66.92%
Maximum for the period	326%	255.00%
Minimum for the period	101%	133.00%

At 31 December 2023	1-3 M months Frw '000	3-12 M months Frw '000	1-5 Y years Frw '000	Over 5 years Frw '000	Total Frw '000
Liabilities					
Customer deposits	52,747,870	56,546,433	5,711,463	-	15,005,766
Deposits and balances due to banking institutions	-	85,422	-	-	85,422
Borrowings	22,166,401	4,032,931	-	-	26,199,332
Lease liabilities	-	-	-	1,871,777	1 ,871,777
Other liabilities	2,915,255	-	-	-	2,915,255
	77,829,526	**60,664,786**	**5,711,463**	**1,871,777**	**1 46,077,552**
Assets					
Cash and bank balances with National Bank of Rwanda	9,020,840	-	-	-	9,020,840
Deposits and balances due from banking institutions	304,839	-	-	-	304,839
Deposits due from financial institutions abroad	7,999,791	-	-	-	7,999,791
Loans and advances to customers	16,690,177	28,100,529	24,837,629	30,212,072	99,840,407
Government securities	38,041	789,916	2,048,368	174,673,046	177,549,371
Other assets	1,940,552	-	-	-	1,940,552
	35,994,240	**28,890,445**	**26,885,997**	**204,885,118**	**296,655,800**
Net liquidity position 2023	**(41,835,286)**	**(31,774,341)**	**21,174,534**	**203,013,341**	**150,578,248**

At 31 December 2022	1-3 M months Frw '000	3-12 M months Frw '000	1-5 Y years Frw '000	Over 5 years Frw '000	Total Frw '000
Liabilities					
Customer deposits	46,670,741	40,556,959	1,793,163	-	89,020,863
Deposits and balances due to banking institutions	-	80,828	-	-	80,828
Borrowings	20,149,547	30,877,965	-	-	51,027,512
Lease liabilities	122,409	367,226	1,958,541	2,448,176	4,896,352
Other liabilities	2,816,626	-	-	-	2,816,626
	69,759,323	**71,882,978**	**3,751,704**	**2,448,176**	**147,842,181**
Assets					
Cash and bank balances with National Bank of Rwanda	8,986,008	-	-	-	8,986,008
Deposits and balances due from banking institutions	682,899	-	-	-	682,899
Deposits due from financial institutions abroad	3,021,500	-	-	-	3,021,500
Loans and advances to customers	16,690,177	28,100,529	24,837,629	30,212,072	99,840,407
Government securities	38,041	789,916	2,048,368	174,673,046	177,549,371
Other assets	4,247,260	-	-	-	9,465,608
	33,665,885	**28,890,445**	**26,885,997**	**204,885,118**	**299,545,793**
Net liquidity position 2022	**(29,435,673)**	**(37,371,810)**	**23,134,293**	**202,436,942**	**158,763,752**

Market risk

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

Currency risk

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

The table below summarises the Bank's exposure to foreign currency exchange rate risk. Included in the table are the Bank's financial instruments, categorised by foreign currency.

	2023			
	EUR Frw '000'	**GBP Frw '000'**	**USD Frw '000'**	**Total Frw '000'**
Assets				
Cash in hand	84,655	46,209	2,127,776	2,258,640
Due from the National Bank	214,258	-	172,659	386,917
Due from other banking institutions	3,241,346	2,464	5,136,501	8,380,311
Loans and advances	-	-	23,111,435	23,111,435
	3,540,259	**48,673**	**30,548,371**	**34,137,303**
Liabilities				
Customer deposits	2,791,357	12,456	32,015,548	34,819,361
Due to other banking institutions	-	-	79,496	79,496
	2,791,357	**12,456**	**32,095,044**	**34,898,857**
Net Financial Position	**748,902**	**36,217**	**(1,546,673)**	**(761,554)**

	2022			
	EUR Frw '000'	**GBP Frw '000'**	**USD Frw '000'**	**Total Frw '000'**
Assets				
Cash in hand	108,687	1,064	1,538,409	1,648,160
Due from the National Bank	460,332	-	230,926	691,258
Due from other banking institutions	1,450,381	1,675	1,862,978	3,315,034
Loans and advances	-	-	28,044,368	28,044,368
Placements with other banks	345,342	-	-	345,342
	2,364,742	2,739	31,676,681	34,044,162
Liabilities				
Customer deposits	2,347,326	980	19,219,568	21,567,874
Due to other banking institutions	-	-	66,154	66,154
Borrowings	-	-	1,900,098	1,900,098
	2,347,326	**980**	**21,185,820**	**23,534,126**
Net Financial Position	**17,417**	**1,759**	**10,490,861**	**10,510,037**

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

	2023 USD	2022 USD	2023 EUR	2022 EUR	2023 GBP	2022 GBP
Average	1,160.90	1,030.87	1,255.06	1,084.92	1,443.90	1,273.03
Closing	1,071.70	1,070.71	1,132.36	1,142.45	1,284.48	1,290.64

Sensitivity analysis

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

The effect on profit before tax and on equity is disclosed below:

31-Dec	Effect on profit before tax 2023 Frw '000	Effect on profit before tax 2022 Frw '000	Effect on Equity 2023 Frw '000	Effect on Equity 2022 Frw '000
Changes in EUR +/- 10%	+/- 74,890	+/- 13,758	+/- 52,423	+/ -9,631
Changes in GBP +/- 10%	+/- 3,622	+/- 244	+/- 2,535	+/- 171
Changes in USD +/- 10%	+/- 154,667	+/- 3,487,026	+/- 108,267	+/- 2,440,918

Interest rate risk

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

In order to evaluate the earnings exposure, interest Rate Sensitive Assets (RSA) in each time band are netted off against the interest Rate Sensitive Liabilities (RSL) to produce a repricing gap for that time band.

A positive gap indicates that the Bank has more RSA and RSL. A positive of asset sensitive gap means that an increase in market interest rates could cause an increase in the net interest margin and vice versa. Conversely, a negative or liability sensitive gap implies that the Bank's net interest margin could decline as a result of increase in market rates and vice versa.

At 31 December 2023, if the interest rates on interest bearing assets and liabilities had been 200 basis points higher/lower with all other variables held constant, the pre-tax loss for the year would have been Frw 74 million (2022: Frw 59 million) higher/lower.

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

At 31 December 2023	1-3 m months	3-12m months	Over 1 year	Non-interest bearing	Total
Assets					
Cash and bank balances with National Bank of Rwanda	-	-	-	9,020,840	9,020,840
Deposits and balances due from banking institutions	682,899	-	-	-	682,899
Deposits due from financial institutions abroad	3,021,500	-	-	-	3,021,500
Loans and advances to customers	324,279	25,083,638	42,832,660	-	68,240,577
Government securities	-	-	68,835,450	-	68,835,450
Other assets	-	-	-	9,465,608	9,465,608
Total assets	**4,028,678**	**25,083,638**	**111,668,110**	**18,486,448**	**159,266,874**

Liabilities					
Customer deposits	45,356,706	41,387,595	1,103,153	0	87,847,454
Deposits and balances due to banking institutions	-	80,828	-	-	80,828
Other borrowed funds	35,952,319	9,799,812	-	-	45,752,131
Other liabilities		-	-	2,816,626	2,816,626
Total liabilities	**81,309,025**	**51,268,235**	**1,103,153**	**2,816,626**	**136,497,039**
Interest rate sensitivity gap	**(77,280,348)**	**(26,184,597)**	**110,564,958**	**15,669,822**	**22,769,835**

At 31 December 2023	03-Jan months	12-Mar months	Over 1 year	Non-interest bearing	Total
Assets					
Cash and bank balances with National Bank of Rwanda	-	-	-	6,083,754	6,083,754
Deposits and balances due from banking institutions	24,024,446	-	-	-	24,024,446
Amounts due from group companies	12,251,562	-	-	-	12,251,562
Loans and advances to customers	3,326,003	13,321,095	21,515,399	-	38,162,497
Government securities	-	-	36,980,980	-	36,980,980
Other assets	-	-	-	404,978	404,978
Total assets	**39,602,011**	**13,321,095**	**58,496,379**	**6,488,732**	**117,908,217**
Liabilities					
Customer deposits	-	17,906,738	366,999	30,883,448	49,157,185
Deposits and balances due to banking institutions	-	71,186	-	-	71,186
Other borrowed funds	33,072,462	21,052,787	-	-	54,125,249
Other liabilities	-	-	1,119,513	1,119,513	
Total liabilities	**33,072,462**	**39,030,711**	**366,999**	**32,002,961**	**104,473,133**
Interest rate sensitivity position	**6,529,548**	**(25,709,616)**	**58,129,380**	**(25,514,229)**	**13,435,083**

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

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

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

Sensitivity analysis:	Effect on profit before tax Frw '000'
31 December 2023 (+/-) 2%	(+/-) 1,013,052
31 December 2022 (+/-) 2%	(+/-) 723,717

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

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

Sensitivity analysis:	Effect on equity Frw '000'
31 December 2023 (+/-) 2%	(+/-) 303,916
31 December 2022 (+/-) 2%	(+/-) 507,602

Capital management

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

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

The Bank monitors the adequacy of its capital using ratios established by National Bank of Rwanda. These ratios measure capital adequacy by comparing the Bank's eligible capital with its balance sheet assets, off balance sheet commitments and market risk positions at weighted amounts to reflect their relative risk.

The market risk approach covers the general market risk and the risk of open positions in currencies and debt, equity securities. Assets are weighted according the amount of capital deemed necessary to support them. Four categories of risk weights (0%, 20%, 50% and 100%) are applied, for example cash and money market instruments have zero risk weighting which means that no capital is required to support the holding of these assets. Property and equipment carries 100% risk weighting, meaning that it must be supported by capital equal to 12% of the carrying amount. Certain asset categories have intermediate weightings.

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

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

The Central Bank requires each bank to:

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

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

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

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

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

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

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

Tier 1 capital	**2023 Frw '000**	**2022 Frw '000**
Ordinary share capital	20,000,000	20,000,000
Share premium	871,740	871,740
Reserves:		
Prior years' accumulated losses	243,984	(1,575,358)
Less;		
Intangible assets	1,224,893	888,148
Current year profit	1,819,343	2,426,364
Total	**24,159,960**	**22,610,894**
Tier 2 capital		
Regulatory reserve	1,587,459	1,699,993
Total Capital	**25,747,419**	**24,310,887**
Risk-weighted assets	92,680,327	92,930,886
Capital ratios		
Total minimum regulatory capital expressed as a % of total risk-weighted assets	15.00%	15.00%
Total capital expressed as a % of risk-weighted assets	**27.78%**	**26.16%**

Risk weighted assets

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

	2023 Frw '000	**2022 Frw '000**
Credit RWA	70,980,698	71,708,975
Market RWA	868,309	6,308,687
Operational RWA	20,831,320	14,913,224

Fair values of financial instruments

Valuation models

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Rwanda Stock Exchange)

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level primarily includes financial investments.

- Level 3: There were no instruments in this category in both 2023 and 2022.

Valuation framework

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

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

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

Deposits from banks and customers
The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

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

Financial instruments not measured at fair value- fair value hierarchy

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

31 December 2023	(Level 1) Frw '000	(Level 2) Frw '000	(Level 3) Frw '000	Total Frw '000	Carrying amount Frw '000
Assets					
Balances with the National Bank of Rwanda	-	5,703,876	-	5,703,876	5,703,876
Deposits and balances due from other banking institutions	-	304,839	-	304,839	304,839
Deposits due from financial institutions abroad	-	7,965,932	-	7,965,932	7,965,932
Government securities	-	69,146,239	-	69,146,239	69,146,239
Loans and advances to customers	-	72,698,105	-	72,698,105	72,698,105
Other assets	-	404,978	-	404,978	404,978
	-	**156,223,969**	**-**	**156,223,969**	**156,223,969**

Liabilities					
Customer deposits	-	115,005,766	-	115,005,766	115,005,766
Deposits due to financial institutions	-	85,422	-	85,422	85,422
Other liabilities	-	2,915,255	-	2,915,255	2,915,255
Other borrowings	-	26,199,332	-	26,199,332	26,199,332
	-	**156,223,969**	**-**	**156,223,969**	**156,223,969**

Financial instruments not measured at fair value- fair value hierarchy

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

31 December 2022	**(Level 1) Frw '000**	**(Level 2) Frw '000**	**(Level 3) Frw '000**	**Total Frw '000**	**Carrying amount Frw '000**
Assets					
Balances with the National Bank of Rwanda	-	6,036,336	-	6,036,336	6,036,336
Deposits and balances due from other banking institutions	-	682,899	-	682,899	682,899
Deposits due from financial institutions abroad	-	3,021,500	-	3,021,500	-
Government securities	-	68,835,450	-	68,835,450	68,394,943
Loans and advances to customers	-	68,240,577	-	68,240,577	46,573,281
Other assets	-	4,247,260	-	4,247,260	4,247,260
	-	**151,064,022**	**-**	**151,064,022**	**125,934,719**
Liabilities					
Customer deposits	-	87,876,925	-	87,876,925	87,876,925
Deposits due to financial institutions	-	80,828	-	80,828	80,828
Other liabilities	-	2,816,626	-	2,816,626	2,816,626
Other borrowings	-	45,752,131	-	45,752,131	45,752,131
	-	**136,526,510**	**-**	**136,526,510**	**136,526,510**

4	**Interest revenue calculated using the effective interest method**	**31-Dec-23 Frw'000**	**31-Dec-22 Frw'000**
A	Interest on loans and advances	9,206,154	6,242,971
	Loan commitment fees	1,207,723	908,586
	Interest income on government securities	8,817,186	6,736,590
		19,231,063	**13,888,147**
B	**Interest income**		
	Interest on savings	59	8,072
	Interest income on placements	1,328	253,995
	Interest on call money	29,834	54,612
	Total interest income	**31,221**	**316,679**

5	**Interest expense**		
A	**Interest expenses on interbank liabilities**		
	Interest on short borrowings	2,682,507	1,622,503
	Interest on long borrowings	399,491	459,604
		3,081,998	**2,082,107**
B	**Interest expenses on customers' deposit**		
	Interest on demand deposit	131,928	123,070
	Interest on saving deposits	147,404	126,372
	Interest term & call deposits	3,756,513	2,328,558
		4,035,845	**2,578,000**
C	Interest on lease liabilities (note 29 b**)**	244,395	283,442
	Total interest expense	**7,362,238**	**4,943,549**

6	**Fees and commission income**		
	Fees & commissions on operations		
	Ledger fees	278,266	262,222
	Fees on transfers (domestic and international)	499,086	227,311
	Fees on money transfer (WU, MoneyGram)	7,215	3,927
	Fees from Bancassurance	92,803	88,025
	Other fees & commissions on operations	300,804	147,334
		1,178,174	**728,819**
	Income from off-balance sheet operations		
	Letter of Credit (LCs)	42,337	84,409
	Guarantees	110,673	179,094
		153,010	**263,503**
	Other banking income		
	Fee on cheque book	46,736	34,719
	Commission on mobile	80,870	68,362
	Commission on ATM	62,473	56,430
	Commission on internet banking	27,383	17,153
	Commission on VISA	-	1,207
	Other income	36,389	8,044
		253,851	**185,915**
	Total commission income	**1,585,035**	**1,178,237**

7	**Fees and commission expense**		
	Fees & commissions expense on operations		
	Bank charges	(389,770)	(114,727)
	Dealing charges	(33,613)	(31,208)
		(429,777)	**(160,986)**
	Other banking expenses		
	Electronic banking	(156,407)	(165,225)
	Internet banking	(7,866)	(7,866)
	Mobile banking	(23,430)	(7,871)
	Other charges	(47,030)	(30,007)
		(234,733)	**(210,969)**
	Total fee and commission expense	**(664,510)**	**(371,955)**

8	**Other operating income/(expense)**		
	Expense from dealing of securities available for sale	(28,433)	(22,085)
	Other expenses	(344,943)	(262,330)
		(373,376)	**(284,415)**
	Staff leave provision	21,472	(11,550)
	Gain on disposal of fixed assets	3,148	529
		24,620	**(26,740)**
	Net other expense	**(348,756)**	**(295,436)**

9	**a) Trading income**		
	Net trading income	1,142,502	498,600

The Bank recognizes income or loss arising from foreign exchange transactions involving the buying and selling of foreign-denominated currencies as trading income/(Loss). This is reflected in the financial statements as net trading income or loss.

	b) Foreign exchange loss		
	Net foreign exchange loss	(557,805)	(142,351)

Net foreign exchange loss relates to losses arising from the conversion of its foreign-denominated balances into its functional currency at the balance sheet date.

10	**Staff costs**			
	Salaries and wages		2,471,216	1,869,968
	RSSB contributions		124,192	91,458
	Medical expenses		191,129	178,763
	Training		41,221	32,677
	Staff life insurance		75,300	58,357
	Other staff costs		293,077	208,181
			3,196,135	**2,439,404**
	Less interest staff loan benefit		44,625	31,797
			3,240,760	**2,471,201**
11	**a) Operating expenses**			
	Right-of-use assets depreciation (note 29 a)		248,714	212,878
	IT costs		673,293	523,970
	Security costs		177,814	150,282
	Vehicles insurance	-	47,936	36,963
	Communication fees		49,367	41,410
	Board meeting fees		228,347	181,848
	Travelling costs		183,478	124,712
	Office supplies		92,308	63,160
	Marketing expenses		179,833	158,418
	Legal fees		68,988	26,113
	Membership contributions		95,872	69,557
	Trading license expense		6,585	7,318
	Consultancy cost		56,392	87,988
	BOA Group support fees		336,116	279,596
	Audit fees		41,246	41,246
	Donation		950	4,000
	Repair and maintenance		129,292	113,887
	Deposit Guarantee Fund (DGF) contribution		70,920	54,508
	Electricity		87,266	77,702
	Other operating expenses		39,810	28,775
			2,814,527	**2,284,331**

Deposit Guarantee Fund (DGF) contribution relates to contributions made by the bank to the central bank. The Fund's aim is to protector to protect depositors against loss of their insured deposits in the event of failure of a bank or microfinance institution.

b)	**Allowance for expected credit losses**			
	Impairment charges on loans to customers	Note 17	4,096,766	2,612,936
	Write-back of provisions on loans to customers	Note 17	(542,550)	(68,894)
	Recoveries on amounts written off	Note 17	(76,573)	(886,407)
	Write back of provision on other financial instruments		(100)	(1,661)
	Impairment on government securities		1	7
			3,477,544	**1,655,981**

12	Income taxes		
a)	**Income tax (charge)/credit**		
	Current income tax charge	(1,234,726)	(898,213)
	Deferred income tax credit	193,551	220,423
	Total income tax (charge)/credit	**(1,041,175)**	**(677,790)**
	Profit before income tax	2,860,518	3,104,154
	Tax calculated at the statutory income tax rate of 29.4% (2022: 30%)	838,990	931,246
	Tax effects of:		
	Expenses not deductible for tax purposes	395,736	-
	Expenses deductible for tax purposes		(33,033)
	Prior year under provision	2,114	(272,659)
	Deferred income tax charge	(207,578)	52,236
	Adjustment to deferred tax due to change in tax rate	11,913	-
	Income tax expense	**1,041,175**	**677,790**

b) Reconciliation of effective tax rate

Reconciliation of income tax expense and the accounting profit multiplied by the standard tax rate for 2023 and 2022:

	Effective rate	2023 Frw '000'	Effective rate	2022 Frw '000'
Accounting profit		**2,860,518**		**3,104,154**
Tax calculated at the statutory rate	29.4%	838,990	30%	931,246
Tax effect of:				
Non-deductible tax expenses	6%	-	6%	195,754
Under/over provision in prior years	(14%)	-	(14%)	(449,210)
Income tax expense	**22%**	**-**	**22%**	**677,790**

12.b Deferred income tax

	Opening balance	Rate change	PY Balance Movement	Revised Opening Balance	Current Year Movement	Closing Balance
Property, plant and equipment	(50,440)	1,126	2,114	(47,200)	(32,470)	(79,670)
Other temporary differences	(482,960)	10,786	-	(472,174)	(175,107)	(647,281)
	(533,400)	**11,912**	**2,114**	**(519,374)**	**(207,577)**	**(726,951)**

	Opening balance	PY Balance Movement	Revised Opening Balance	Current Year Movement	Closing Balance
Property, plant and equipment	162,008	(124,291)	37,718	(88,157)	(50,439)
Other temporary differences	(153,718)	(99,003)	(252,722)	(230,238)	(482,960)
Deferred tax on losses	(321,266)	(49,365)	(370,632)	370,632	-
	(533,400)	**2,114**	**(519,374)**	**(207,577)**	**(726,951)**

12.c	Current income tax liabilities	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
	Opening current income tax payable	898,213	-
	Current income tax charge	1,234,726	898,213
	Payments made during the year	(2,060,081)	-
	Closing current income tax payable	**72,858**	**898,213**

13	Cash and balances with National Bank of Rwanda	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
	Cash in hand	6,467,981	2,984,504
	Balances with National Bank of Rwanda	4,313,392	6,036,336
	Expected credit losses	(33,860)	(34,832)
		10,747,513	**8,986,008**
a)	**Cash in hand**		
	Cash in foreign currencies	3,502,184	1,648,161
	Balances with National Bank of Rwanda	2,965,797	1,336,343
		6,467,981	**2,984,504**

14	Deposits and balances due from other banking institutions	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
	Current accounts with other banks	304,839	337,667
	Call money with accrued receivable interest	-	345,343
	Expected credit losses	-	(111)
		304,839	**682,899**

The contractual interest rate approximates the effective interest rate. There are no significant fees and other administrative costs in relation to origination of the placements. Consequently, interest has been computed based on the contractual interest rate which is representative of the effective interest rate. The weighted average effective interest rate on government security was 2% and % for 2023 and 2022 respectively.

15	Government securities	31-Dec-2023 Frw'000	Restated 31-Dec-2022 Frw'000
	Investments securities at amortised cost		
	At 1 January	68,835,450	36,980,980
	Additional accrued receivable interest	86,951	1,353,451
	Additions T-Bonds	4,000,000	36,649,283
	T-Bonds sols	(3,192,945)	-
	Matured T-Bonds	(35,900)	(2,382,600)
	Matured T-Bills	-	(3,765,657)
	Expected credit losses on government securities	(547,317)	(572,165)
	As at 31 December	**69,146,239**	**68,263,292**

Opening balance reconciliation

Closing balance before restatement	68,835,450
ECL restatement	(572,158)
Closing balance as per restatement	68,263,292

The contractual interest rate approximates the effective interest rate. There are no significant fees and other administrative costs in relation to origination of the government securities. Consequently, interest has been computed based on the contractual interest rate which is representative of the effective interest rate. The weighted average effective interest rate on government security was 13% and 10% for 2023 and 2022 respectively.

16	Other assets	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
	Prepayments	133,581	155,883
	Stationery	29,315	36,408
	Staff loan revaluation	404,978	652,582
	Withholding tax receivable	327,094	228,492
	Clearing /transitory accounts	1,045,584	3,173,895
		1,940,552	**4,247,260**

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

17	Loans and advances to customers	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
	Term loans	57,614,344	53,229,953
	Overdrafts	21,419,799	18,272,895
	Gross loans and advances	**79,034,143**	**71,502,848**
	Less: modification gain/(loss) and staff discount	(404,978)	(587,089)
	Less: provisions for impairment of loans and advances	(5,931,060)	(2,675,182)
		72,698,105	**68,240,577**
	-		
	Movements in impairment loss allowance		
	At 1 January	2,675,182	1,743,375
	Additional provision for the year	4,096,766	2,612,936
	Recoveries on provisions	(542,550)	(68,894)
	Loans written off during the year as uncollectible	(222,624)	(1,612,235)
	Overdrawn written off account	(75,714)	-
	At 31 December	**5,931,060**	**2,675,182**

Analysis of loan advances to customers by category:

31-Dec-23	Gross carrying amount Frw'000	ECL allowance Frw'000	Modification gain/ (loss) and staff discount Frw'000	Carrying amount Frw'000
Overdraft	21,326,929	(537,283)		20,789,646
Treasury loan	19,145,846	(3,015,300)	(134,362)	15,996,184
Agriculture loans	6,752,413	(744,110)	(47,387)	5,960,916
Equipment loan	5,343,840	(220,161)	(37,502)	5,086,177
Consumer loan	2,442,857	(177,957)	(17,143)	2,247,757
Mortgage loan	24,022,259	(1,236,250)	(168,584)	22,617,425
	79,034,144	**(5,931,061)**	**(404,978)**	**72,698,105**

	Gross carrying amount Frw'000	ECL allowance Frw'000	Modification gain/ (loss) and staff discount Frw'000	Carrying amount Frw'000
Overdraft	18,272,895	(666,118)		17,606,777
Treasury loan	20,161,307	(895,684)	(222,365)	19,043,258
Agriculture loans	10,543,736	(82,018)	(116,290)	10,345,428
Equipment loan	3,248,865	(143,430)	(35,833)	3,069,602
	1,862,660	(161,260)	(20,544)	1,680,856
Mortgage loan	17,413,385	(726,672)	(192,057)	16,494,656
	71,502,848	**(2,675,182)**	**(587,089)**	**68,240,577**

18. Property and equipment

Year ended 31 December 2023	Computers Frw'000	Motor vehicles Frw'000	Office fittings Frw'000	Office equipment Frw'000	Other equipment Frw'000	Total Frw'000
Cost						
At 01 January 2023	1,175,293	224,919	1,723,138	281,345	143,990	3,548,685
Additions	102,612	212,400	-	78,491	60,880	454,383
Disposals	(29,472)	-	-	-	-	(29,472)
At 31 December 2023	**1,248,433**	**437,319**	**1,723,138**	**359,836**	**204,870**	**3,973,596**
Depreciation						
At 1 January 2023	954,443	170,231	933,939	211,176	115,487	2,385,276
Charge for the year	94,885	48,810	172,314	31,496	115,487	360,420
Disposals	(21,292)	-	-	-	-	(21,292)
Adjustment	(1,563)	-	-	-	-	(1,563)
At 31 December 2023	**1,026,473**	**219,041**	**1,106,253**	**242,672**	**128,402**	**2,722,841**
Net carrying amount	**221,960**	**218,278**	**616,885**	**117,164**	**76,468**	**1,250,755**

As at 31 December 2023, none of the property and equipment of the Bank had been pledged as collateral (2022: nil).

31 Dec 2022	Computers Frw'000	Motor vehicles Frw'000	Office fittings Frw'000	Office equipment Frw'000	Other equipment Frw'000	Total Frw'000
Cost						
At 01 January 2022	1,110,475	224,919	1,698,989	228,380	124,975	3,387,738
Additions	77,772	-	24,149	65,268	26,491	193,680
Disposals	(12,954)	-	-	(12,303)	(7,476)	(32,733)
At 31 December 2022	**1,175,293**	**224,919**	**1,723,138**	**281,345**	**143,990**	**3,548,685**
Depreciation						
At 01 January 2022	850,552	151,481	763,638	210,678	104,203	2,080,552
Charge for the year	113,603	18,750	170,301	12,834	16,604	332,092
Disposals	(10,013)	-	-	(12,303)	(5,886)	(28,202)
Adjustment	(301)	-	-	(33)	(568)	(902)
At 31 December 2022	**(954,443)**	**(170,231)**	**(933,939)**	**(211,176)**	**(115,489)**	**(2,385,278)**
Net carrying amount	**220,851**	**54,688**	**789,199**	**70,169**	**28,501**	**1,163,408**

19. Intangible asset-purchased software

	Frw'000 Purchased Software	Frw'000 Software-WIP	31-Dec-2023 Frw'000 Total
Cost			
Balance at 1 January	1,651,326	259,582	1,910,908
Adjustment		115	115
Additions	625,614	8,052	633,666
Transfers	130,766	(130,766)	-
Balance at 31 December	**2,407,706**	**136,983**	**2,544,689**
Amortization			
Balance at 1 January	1,022,760	-	1,022,760
Adjustment	(5,670)	-	(5,670)
Charge for the year	302,706	-	(302,706
Balance at 31 December	1,319,796	-	1,319,796
Balance at 31 December 2023	**2,407,706**	**136,983**	**2,544,689**

	31-Dec-2022 Frw'000 Purchased Software	Frw'000 Software-WIP	31-Dec-2022 Frw'000 Total
Cost			
Balance at 1 January	1,630,420	117,571	1,747,991
Additions	-	162,917	162,917
Transfers	20,906	(20,906)	-
Balance at 31 December	**1,651,326**	**259,582**	**1,910,908**
Amortization			
Balance at 1 January	742,146	-	742,146
Charge for the year	280,614	-	280,614
Balance at 31 December	1,022,760	-	1,022,760
Balance at 31 December 2022	**628,566**	**259,582**	**888,148**

20 Balance due to National Bank of Rwanda

	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
Balance at 1 January	49,689	50,441
Interest payable	2,389	2,253
Repayments	-	(3,005)
Balance at 31 December	**52,078**	**49,689**

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

21 Customer deposits

	31-Dec-2023 Frw'000	31-Dec-2022 Frw'000
Demand deposits	52,747,870	45,356,706
Saving Deposits	3,888,592	3,028,047
Fixed term deposits	57,114,629	38,389,020
Collateral deposits	1,254,675	1,103,152
	115,005,766	**87,876,925**

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

22 Deposits due to financial institutions

Bank of Africa DRC	15,800	13,384
Bank of Africa Kenya	5,524	8,912
Bank of Africa Tanzania	313	284
	85,422	**80,828**

23	**Borrowings**		
	Balance at 1 January	45,752,131	54,125,249
	Accrued interest during the year	42,042	221,672
	Additional receipts	2,494,494,535	1,517,813,124
	Payments	(2,514,089,376)	(1,526,407,914)
	Balance at 31 December	**26,199,332**	**45,752,131**

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

This section sets out an analysis of net debt and the balances in net debt for each of the years presented

Net debt		**31-Dec-21 Frw '000'**	**31-Dec-20 Frw '000'**
Cash and cash equivalents	(Note 14)	12,584,162	9,705,903
Borrowings	(Note 23)	(26,199,332)	(45,752,131)
Lease liabilities	(Note 29)	(1,871,777)	(2,150,428)
Net debt		**(15,486,947)**	**(38,196,656)**

Net debt movement

	Cash/bank overdraft Frw'000	**Borrowings Frw'000**	**Lease liabilities Frw'000**	**Totals Frw'000**
Net debt as at 1 January 2022	36,276,008	(54,125,249)	(2,331,278)	(20,180,519)
Financing cash flows outflows	(26,570,105)	8,373,118	180,850	(18,016,137)
Net debt as at 31 December 2022	**9,705,903**	**(45,752,131)**	**(2,150,428)**	**(38,196,656)**
Net debt as at 1 January 2023	9,705,903	(45,752,131)	(2,150,428)	(38,196,656)
Financing cash inflows	2,878,259	19,552,799	278,651	22,709,709
Net debt as at 31 December 2023	**12,584,162**	**(26,199,332)**	**(1,871,777)**	**(15,486,947)**

Terms and repayment schedule

The terms and conditions of outstanding borrowings are as follows:

Balances at 31 December 2023

Borrowings with a tenure within 3 months

Bank	**Face value Frw'000'**	**Value date**	**Maturity date**	**Interest rate**	**Accrued pay. int**	**Carrying amount Frw'000'**
BNR(REPO)	7,150,000	28-Dec-23	3-Jan-24	7.50%	5,893	7,155,893
BNR	15,000,0000	29-Dec-23	3-Jan-24	8.50%	10,508	15,010,508
	22,150,000				**16,401**	**22,166,401**

Bank	Amount Frw'000'	Value date	Maturity date	Interest rate	Accrued pay. int	Total Frw'000'
BRD	2,000,000	31-Oct-22	04-May-31	4.00%	13,589	804,208
BRD (RHFP)	800,000	30-Nov-23	29-Feb-24	6.00%	4,208	2,013,589
BRD(EGF)	1,154,427	31-Oct-23	31-Jan-24	4.00%	7,836	1,162,263
BRD	52,863	31-Dec-23	31-Mar-24	5.00%	7	52,871
	4,007,290				**25,640**	**4,032,931**
Total borrowings	**26,157,290**					**26,199,332**

As at 31 December 2023, the bank's borrowings were secured against treasury bonds.

31 December 2022

Borrowings with a tenure within 3 months

Bank	Face value Frw'000'	Value date	Maturity date	Interest rate	Accrued pay. int	Carrying amount Frw'000'
BNR (SLF)	21,000,000	30-Dec-22	04-Jan-23	7.50%	8,654	21,008,654
ACCESS BANK	2,500,000	28-Dec-22	04-Jan-23	7.30%	2,000	2,502,000
GT BANK	2,141,425	12-Dec-22	12-Jan-23	4.00%	4,759	2,146,184
I&M BANK	1,498,997	19-Dec-22	19-Jan-23	4.68%	2,533	1,501,530
GT BANK	856,570	30-Dec-22	30-Jan-23	4.50%	213	856,783
EQUITY BANK	963,641	21-Dec-22	23-Jan-23	4.00%	1,178	964,819
DRC	6,959,631	23-Dec-22	23-Jan-23	7.30%	12,701	6,972,332
	35,920,264				**32,038**	**35,952,302**

Borrowings with a tenure more than 3 months

Bank	Amount Frw'000'	Value date	Maturity date	Interest rate	Accrued pay. int	Total Frw'000'
BRD	2,000,000	31-Oct-22	04-May-31	4.00%	13,589	804,208
BRD	800,000	30-Nov-23	29-Feb-24	6.00%	4,208	2,013,589
BRD	1,154,427	31-Oct-23	31-Jan-24	4.00%	7,836	1,162,263
BRD	52,863	31-Dec-23	31-Mar-24	5.00%	7	52,871
BOA- MER ROUGE	2,141,425	2-Aug-22	2-Aug-23	5.0%	45,208	2,186,633
BOA- MER ROUGE	4,282,850	26-Jul-22	25-Jul-23	4.8%	89,851	4,372,701
	9,644,590				**155,239**	**9,799,829**
Total borrowings	**53,716,298**					**54,125,249**
Total borrowings	**45,564,854**					**45,752,131**

As at 31 December 2022 and 31 December 2023, the security held on the bank's borrowings was the investment in treasury bonds.

24	Other liabilities	31-Dec-23 Frw'000	31-Dec-22 Frw'000
	Transitory accounts	102,152	194,992
	Social security and taxes	182,184	90,933
	Amount to employees	130,201	161,553
	Staff leave provision	71,441	96,352
	Deferred loan commission	35,681	-
	Clearing account	469,676	423,503
	Transfers in transit	1,923,920	1,184,377
		2,915,255	**2,151,710**

	Movement in provision for staff leave	31-Dec-23 Frw'000	31-Dec-22 Frw'000
	At start of the period	96,352	92,747
	Additional provision	3,439	3,605
	Release during the period	(28,350)	-
	At end of the period	**71,441**	**96,352**

25	Amounts due from financial institution abroad		
	Bank of Africa-Uganda	413,321	518,998
	Citibank - New York	3,571,765	310,736
	Bank of Africa –DRC	135,284	114,603
	SBank of Africa Kenya	149,158	38,343
	Bank of Africa –France	2,752,014	1,588,980
	Bank of Africa-Tanzania	412,608	349,532
	AKTIF Bank	545,757	104,491
	BGFI	24,199	-
	Less impairment loss allowance	(4,315)	(4,183)
		7,999,791	**3,021,500**

26	Share capital and share premium	Number of shares issued & fully paid (thousands)	Share capital Frw'000	Share premium Frw'000
	At 1 January 2023	2,000,000	20,000,000	871,740
		-	-	-
	Balance at 31 December 2023	2,000,000	20,000,000	871,740
	Balance at 1 January 2022	1,258,087	12,580,870	871,740
	Capital contribution	741,913	7,419,130	-
	Balance at 31 December 2022	2,000,000	20,000,000	871,740

The total authorised number of ordinary shares is 2,000,000 with a par value of Frw 10,000 per share. All issued shares are fully paid off. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at annual general meetings of the Bank.

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

The Bank's shareholders are as follows:

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

27. Related parties

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

a) Balances with Directors and key management personnel

	31-Dec-23 Frw'000	31-Dec-22 Frw'000
Carrying amount of loans to directors	135,759	470,999

b) Transactions with Directors and key management personnel

Interest income on loans to directors	46,618	44,618

All the transactions with the related parties are entered into in the normal course of business.
No impairment losses have been recorded against balances outstanding during the year and no specific allowance has been made for impairment losses on balances at the year-end.
Key management includes directors and members of senior management. The compensation paid or payable to key management for employee services is shown below

Key management compensation	31-Dec-23 Frw'000	31-Dec-22 Frw'000
Salaries and wages	471,002	421,002
Other benefits	195,691	145,691
Contribution for staff Insurance	12,525	10,525
Contribution to Rwanda Social Security Board	23,813	22,313
	703,031	**599,531**
Directors' remuneration		
Fees for services as directors	60,096	50,096

b) Transactions with BOA Group (Parent Company)

	2023 Frw'000	2022 Frw'000
BOA Group IT fees (license for the core banking software)	336,116	279,596
	336,116	**279,596**

28 Analysis of cash and cash equivalents

	31-Dec-23 Frw'000	31-Dec-22 Frw'000
Cash in hand	6,467,981	2,984,504
Due from the National Bank of Rwanda	4,313,392	817,987
Deposits with other banks	8,270,771	3,359,056
Call money with banks	-	345,343
T Bonds coupons maturing to 3 months or less than 3 months	2,800,375	2,914,141
	21,852,519	**10,421,031**

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

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

29 Leases

a) Right of use of assets

	31-Dec-23 Frw'000	31-Dec-22 Frw'000
Cost		
At 1 January	3,292,204	3,297,569
Re-measurement	(228,891)	
Termination of SORAS outlet (ROU Asset)	-	(29,656)
Effect of rental modification contract	-	24,291
	3,063,313	**3,292,204**
Depreciation		
At 1 January	1,542,387	1,360,568
Adjustment for Termination of SORAS outlet	-	(1,403)
Re-measurement	(6,362)	-
Charge for the year	248,714	212,878
Termination of SORAS outlet	-	(29,656)
As at 31 December	**1,784,739**	**1,542,387**
Balance at 31 December	**1,278,574**	**1,542,387**

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

b) Lease liabilities

	31-Dec-23 Frw'000	31-Dec-22 Frw'000
At 1 January	2,150,428	2,331,278
Termination of SORAS outlet (lease liability)	-	(29,656)
Termination of SORAS outlet (finance cost)	-	(13,651)
Termination of SORAS outlet (prepayment)	-	44,359
Effect of rental modification contract	-	24,291
Finance cost for the year	244,395	283,442
Remeasurement	46,126	-
Other rent prepaid	(59,022)	-
Principal and interest payment	(510,150)	(489,635)
	1,871,777	**2,150,428**

30 Non-current assets held for sale

Balance at 1 January	480,000	
Disposal	(300,000)	-
Loss on disposal	(180,000)	
Balance at 31 December	-	480,000
	-	**480,000**

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

	Borrowings Frw '000	Due to central bank Frw '000	Share capital Frw '000	Lease payments Frw '000	Total
Balances at 1 January 2023	45,752,131	49,689	20,000,000	-	-
Changes in financing activities					
Capital increase	-	-	-	-	-
Borrowings	2,494,681,813	-	-	-	2,494,681,813
Lease repayment	-	-	-	(510,150)	(510,150)
Repayments of borrowed funds	(2,514,131,481)	-	-	-	(2,514,131,481)
Cash flows from financing activities	**26,302,463**	**49,689**	**20,000,000**	**(510,150)**	**(19,959,818)**
Other changes					
Accrued interest/interest payable	42,042	-	-	-	42,042
Balances at 31 December 2023	**26,344,505**	**49,689**	**20,000,000**	**-**	**-**

	Borrowings Frw '000	Due to central bank Frw '000	Share capital Frw '000	Lease payments Frw '000	Total
Balances at 1 January 2022	54,125,249	50,441	20,000,000		
Changes in financing activities					
Capital increase	-	-	-	-	-
Borrowings	1,517,813,124	-	-	-	1,168,746,081
Lease repayment	-	-	-	(489,635)	(477,615)
Repayments of borrowed funds	(1,526,407,914)	(3,005)	-	-	(1,152,495,173)
Cash flows from financing activities	**45,530,459**	**47,436**	**20,000,000**	**(489,635)**	**15,773,293**
Other changes					
Accrued interest/interest payable	221,672	2,253	-	-	223,925
Balances at 31 December 2022	**45,752,131**	**49,689**	**20,000,000**	**-**	**-**

32 Classification of financial assets and financial liabilities.

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

At 31 December 2023	Mandatorily at FVTPL Frw '000	Designated at FVTPL Frw '000	FVOCI-debt instruments Frw '000	FVOCI-equtiy instrumens Frw '000	Amortised cost Frw '000	Total carrying amount Frw '000
Assets						
Bank balances with National Bank of Rwanda	-	-	-	-	5,703,876	5,703,876
Deposits and balances due from banking institutions	-	-	-	-	304,839	304,839
Deposits due from financial institutions abroad	-	-	-	-	7,965,932	7,965,932
Loans and advances to customers	-	-	-	-	72,698,105	72,698,105
Government securities	-	-	-	-	69,146,239	69,146,239
Other assets	-	-	-	-	1,940,552	1,940,552
	-	**-**	**-**	**-**	**157,759,543**	**157,759,543**
Liabilities						
Customer deposits	-	-	-	-	115,005,766	15,005,766
Deposits and balances due to banking institutions	-	-	-	-	85,422	85,422
Borrowings	-	-	-	-	26,199,332	26,199,332
Lease liabilities	-	-	-	-	1,871,777	1,871,777
Other liabilities	-	-	-	-	2,915,255	2,915,255
	-	**-**	**-**	**-**	**146,077,552**	**146,077,552**

At 31 December 2022	Mandatorily at FVTPL Frw '000	Designated at FVTPL Frw '000	FVOCI-debt instruments Frw '000	FVOCI-equtiy instrumens Frw '000	Amortised cost Frw '000	Total carrying amount Frw '000
Assets						
Bank balances with National Bank of Rwanda	-	-	-	-	3,802,491	3,802,491
Deposits and balances due from banking institutions	-	-	-	-	682,899	682,899
Deposits due from financial institutions abroad	-	-	-	-	3,021,500	3,021,500
Loans and advances to customers	-	-	-	-	68,240,577	68,240,577
Government securities	-	-	-	-	68,263,292	68,263,292
Other assets	-	-	-	-	4,247,260	4,247,260
	-	**-**	**-**	**-**	**148,258,019**	**148,258,019**

Liabilities						
Customer deposits	-	-	-	-	87,876,925	87,876,925
Deposits and balances due to banking institutions	-	-	-	-	80,828	80,828 93
Borrowings	-	-	-	-	45,752,131	45,752,131
Lease liabilities	-	-	-	-	2,150,428	2,150,428
Other liabilities	-	-	-	-	2,151,710	2,151,710
	-	**-**	**-**	**-**	**138,012,022**	**138,012,022**

33.Contingent liabilities, Contingent assets and commitments

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

	31-Dec-23 Frw '000	**31-Dec-22 Frw'000**
Guarantees and commitments to customers	775,233	9,713,005
Letter of credit	311,722	775,959
Guarantees received	150,790,200	126,711,066
	151,877,155	**137,200,030**

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

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

Litigations

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

34. Prior year/period adjustments

During the period ended 31 December 2023, the Bank corrected prior year errors relating to expected credit loss on investments in Government securities and balances with national bank of Rwanda. The errors affected the carrying amount of Government securities and retained earnings. The correction of errors has been accounted for retrospectively, and the comparative information for the previous years has been accordingly adjusted.

Impact on the financial statements

(i) Investment securities	**Frw '000'**
As previously reported as at 31 December 2022	68,835,450
Prior year adjustment	(572,158)
As restated	**68,263,292**

(ii) Cash and balances with National Bank of Rwanda	Frw '000'
As previously reported as at 31 December 2022	3,802,491
Prior year adjustment	(34,832)
As restated	**3,767,659**

(iii) Retained earnings	Frw '000'
As previously reported as at 31 December 2022	(968,368)
Prior year adjustment	(606,990)
As restated	**(1,575,358)**

See below the extract of the statement of financial position.

	As reported 31-Dec-22 Frw'000	Prior year Adjustments Increase/(Decrease) Frw'000	Restated 31-Dec-22 Frw'000
ASSETS			
Cash and balances with National Bank of Rwanda	3,802,491	(34,832)	3,767,659
Deposits and balances due from other banking institutions	682,899	-	682,899
Deposits due from financial institutions abroad	3,021,500	-	3,021,500
Government securities	68,835,450	(572,158)	68,263,292
Loans and advances to customers	68,240,577	-	68,240,577
Other assets	9,465,609	-	9,465,609
Fixed assets	1,163,405	-	1,163,405
Right-of-use assets	1,749,817	-	1,749,817
Intangible assets	888,148	-	888,148
Non-current assets held for sale	480,000	-	480,000
Deferred income tax	533,400	-	533,400
Total assets	**158,863,296**	**(606,990)**	**158,256,306**
ASSETS			
Due to National Bank of Rwanda	49,689	-	49,689
Customer deposits	87,876,925	-	87,876,925
Deposits due to financial institutions	80,828	-	80,828
Lease liabilities	2,150,428	-	2,150,428
Current income tax liabilities	898,213	-	898,213
Other liabilities	2,151,710	-	2,151,710
Borrowings	45,752,131	-	45,752,131
Total liabilities	**138,959,924**	**-**	**138,959,924**

EQUITY			
Share capital	20,000,000	-	20,000,000
Share premium	871,740	-	871,740
Accumulated losses	(968,368)	(606,990)	(1,575,358)
Total equity	**19,903,372**	**(606,990)**	**19,296,382**
Total equity and liabilities	**158,863,296**	**(606,990)**	**158,256,306**

		31 December 2023	**31 December 2022**
Item		**Amount/ Ratio/ Number**	**Amount/ Ratio/Number**
I. Capital Strength			
1. Core capital (Tier 1)		19,915,673	19,015,223
2. Supplementary capital (Tier 2)		1,587,459	1,699,993
3. Total capital		21,503,132	20,715,216
4. Total risk weighted assets		92,680,327	92,930,886
5. Core capital/ Total risk weighted assets ratio (Tier 1 ratio)		21.49%	20.46%
6. Tier 2 ratio		1.71%	1.83%
7. Total capital/total risk weighted assets ratio		23.20%	22.29%
8. Leverage ratio		19,915,673	19,015,223
II. Credit Risk			
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;		149,267,338	154,063,836
2. Average gross credit exposures, broken down by major types of credit exposure:			
a) Loans, commitments and other non-derivative off-balance sheet exposures;		80,121,099	85,228,386
b) Debt securities;		69,146,239	68,835,450
c) OTC derivatives		-	-
		149,267,337	**154,063,836**
3. Regional or geographic distribution/ types of credit exposure	**Geographic distribution**	**Total exposure (Frw' 000')**	**Total exposure (Frw' 000')**
	Kigali City	133,026,432	139,775,216
	Muhanga	1,413,719	1,229,229
	Huye	3,011,942	2,518,416
	Rusizi	6,299,428	5,149,764
	Rubavu	2,342,993	2,563,736
	Musanze	2,255,542	1,966,302
	Kayonza	917,281	861,173
		149,267,337	**154,063,836**

	Sector distribution	Total exposure (Frw' 000')	Total exposure (Frw' 000')
4.Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	a) Government	79,990,601	82,560,988
	b) Financial;		-
	c) Manufacturing;	248,480	256,465
	d) Infrastructure and construction;	1,495,814	1,543,880
	e) Services and commerce.	29,839,443	30,798,292
	f) Others	37,692,999	38,904,211
	Total	**149,267,337**	**154,063,836**

5. Off- balance sheet items	1,086,955	13,725,538
6. non-performing loans indicators		
a) Non-performing loans (NPL)	5,578,002	6,058,255
b) NPL ratio	7.06%	8.47%
7. Related parties		
a) Loans to directors, shareholders and subsidiaries	1,577,039	470,999
b) Loan to employees	135,759	1,494,180
8. Restructured loans as at 31 December 2023	**1,086,955**	**13,725,538**
a. No. of borrowers	95	163
b. Amount outstanding (Frw '000)	3,328,834	4,045,063
c. Provision thereon (Frw '000) (regulatory):	224,055	51,644
d. Provision IFRS P (Frw '000)	680,570	362,522
e. Restructured loans as % of gross loans	4.16%	5,66%
III. LIQUIDITY RISK		
a) Liquidity Coverage Ratio (LCR)	164.03%	146.16%
b) Net Stable Funding Ratio (NSFR)	208.33%	170.27%

	Type	Number	Amount (Frw '000')	Amount (Frw '000')
IV. OPERATIONAL RISK				
Number and types of frauds and their corresponding amount				
	Thefts	-	-	

V. MARKET RISK		
1. Interest rate risk		
2. Equity position risk	-	
3. Foreign exchange risk	69,465	504,695
VI. COUNTRY RISK		
1. Credit exposures abroad	24,982	-
2. Other assets held abroad	7,965,932	3,021,500
3. Liabilities to abroad	85,422	80,828

VII. Management and board composition		
1. Number of Board members	6	6
2. Number of independent Directors	4	4
3. Number of non-independent Directors	2	2
4. Number of female Directors	1	1
5. Number of male Directors	5	5
6. Number of Senior Managers	12	13
7. Number of female Senior Managers	4	4
8. Number of male Senior Managers	8	9

CORPORATE INFORMATION

Registered Office

Bank of Africa Rwanda PLC
KN 2,Nyarugenge, Chic Complex
P.O Box 265
Kigali
Rwanda

Auditor

PWC Rwanda Limited
5th Floor, Blue Star House,
35 KG 7 Ave, Kacyiru
P.O Box 1495 Kigali, Rwanda
Telephone+250 (252) 588203/4/5/6
Internet: www.pwc.com/rw

Correspondent Banks

NATIONAL BANK OF RWANDA
P.O. Box 531
Kigali-Rwanda

COGEBANQUE PLC
P.O. Box 5230
Kigali-Rwanda

BANK OF AFRICA (FRANCE)
6, Rue Cambacérès
75008 Paris-France

BANK OF AFRICA (DRC)
22, Avenue des Aviateurs - BP 7119 Kin16, Rue
Kinshasa-Gombe, République Démocratique du Congo

BMCE BANK INTERNATIONAL
Serrano, 59, 28006 Madrid, Spain

BANK OF KIGALI PLC
P.O. Box 175
Kigali-Rwanda

I&M BANK (RWANDA) PLC
KN 3 AV/9
P.O. Box 354
Kigali-Rwanda

BANK OF AFRICA (UGANDA)
Plot 45 Jinja Road
P. O. Box 2750 Kampala
Uganda

BANK OF AFRICA (KENYA)
BOA House, Karuna Close, Off Waiyaki Way,
Westlands,
P.O. Box 69562-00400, Nairobi - Kenya

CITIBANK
New York
Postal code: 10013
388 Greenwich Street

AKTIF Bank
Head Office Esentepe District Kore Şehitleri
Street No: 8/1
Şişli /İstanbul 34394
BGFI (Banque Gabonaise et Française Internationale)
10/12 Rue du Général Foy,75008 Paris