

**ENDLESS
POSSIBILITIES**



2025

INTEGRATED
ANNUAL REPORT
AND FINANCIAL STATEMENTS

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About this report

NCBA Bank Rwanda ("NCBA" or "the Bank") continues to apply the International Integrated Reporting Council (IIRC) Integrated Reporting Framework as the basis of its reporting structure for the current reporting period.

The Bank maintains the view that integrated reporting provides a coherent platform through which stakeholders can assess the interdependencies between financial and non-financial drivers of performance. This report therefore reflects how these factors collectively influence our ability to create, preserve, or erode value over time. It considers the capitals upon which the Bank and NCBA Group depend, and evaluates how these are deployed to support strategic execution, stakeholder responsiveness, and resilience within a dynamic external environment.

This reporting cycle places continued emphasis on transparency, consistency, and decision-usefulness. It outlines the Bank's strategic direction, operating context, and performance against defined priorities, while also providing a forward-looking perspective on risks, opportunities, and long-term value creation. The report includes a consolidated view of our business model, key products and services, and progress made in embedding sustainability considerations into core operations.

Area	Content
NCBA and its External Environment	Overview of the Bank's structure, operating context, and key stakeholder relationships.
Governance	Leadership framework and oversight structures supporting effective decision-making, risk management, and accountability.
Our business	Description of the Bank's operating model, delivery channels, and approach to sustaining value creation.
Risks and Opportunities	Assessment of principal risks and emerging opportunities influencing performance and strategic outcomes.
Strategy and Resource Allocation	Overview of strategic priorities and how resources are deployed to deliver on our growth and sustainability objectives.
Performance	Analysis of financial and non-financial performance across business segments during the reporting period.
Outlook	Consideration of external and internal factors likely to influence future performance, resilience, and sustainability.
Basis of preparation and presentation	Summary of reporting principles, frameworks, and methodologies applied in compiling this report.

All financial information contained in this report has been prepared in accordance with International Financial Reporting Standards (IFRS) as applicable to the Bank's operations. The Financial Statements provide a comprehensive account of activities undertaken during the period from 1 January to 31 December 2025.

Who We Are

Our Corporate Profile

NCBA entered the Rwanda market in 2016 as CBA Holdings Limited, a Microfinance providing mobile savings and loans (MSL) business/products. In 2017, CBA Group in Kenya acquired Crane Bank and merged the operations of Crane Bank and CBA Holdings and in August 2018, Commercial Bank of Africa was awarded a banking license by the National Bank of Rwanda.

The Bank officially re-branded to "NCBA Bank Rwanda", following the merger of NIC Bank and CBA Bank in October 2019.

The rebrand marked the integration of the strengths, capabilities, and regional expertise of NCBA Group Plc, combining innovative digital banking solutions with

relationship-driven banking, scalable business banking capabilities, and tailored financial and investment solutions designed to meet the evolving needs of customers.

Today, NCBA Bank Rwanda is a commercial bank that offers a range of financial solutions to individuals and businesses in Rwanda. The Bank is a subsidiary of NCBA Group Plc – a regional financial services group with headquarters in Kenya and operations in four other African countries: Uganda, Tanzania, Ivory Coast and Ghana.

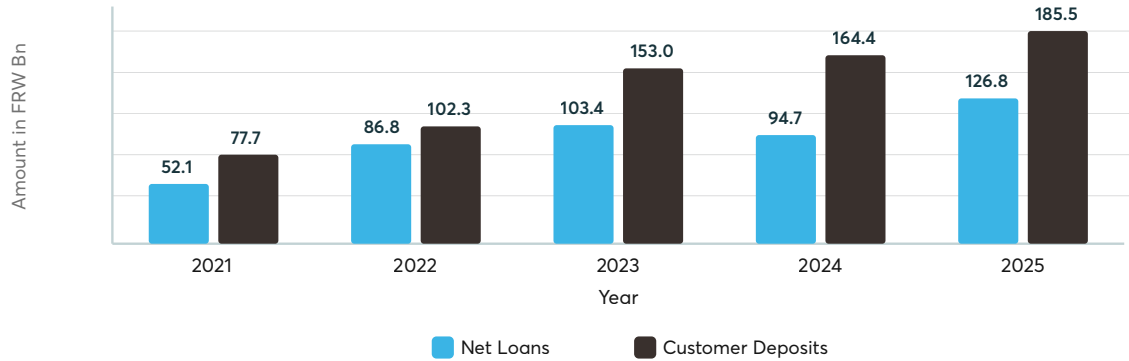


Our Performance in Numbers

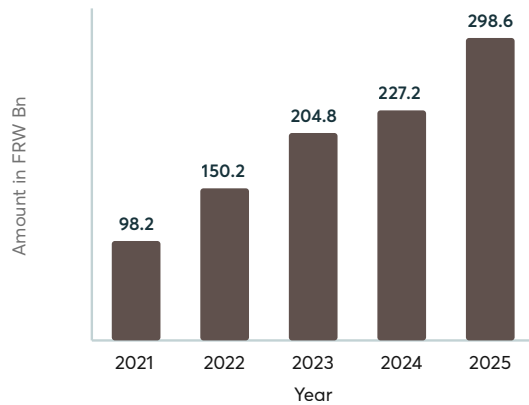
Balance Sheet Indicators



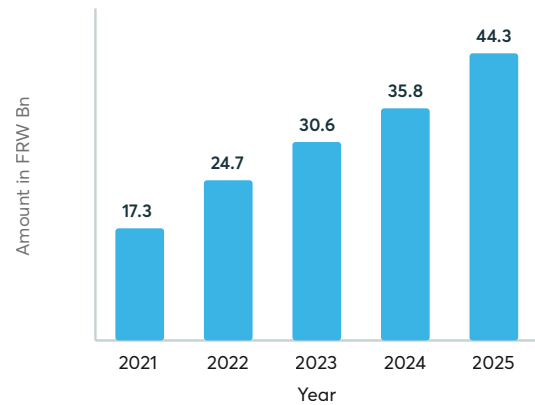
Loans and Deposits (FRW Bn)



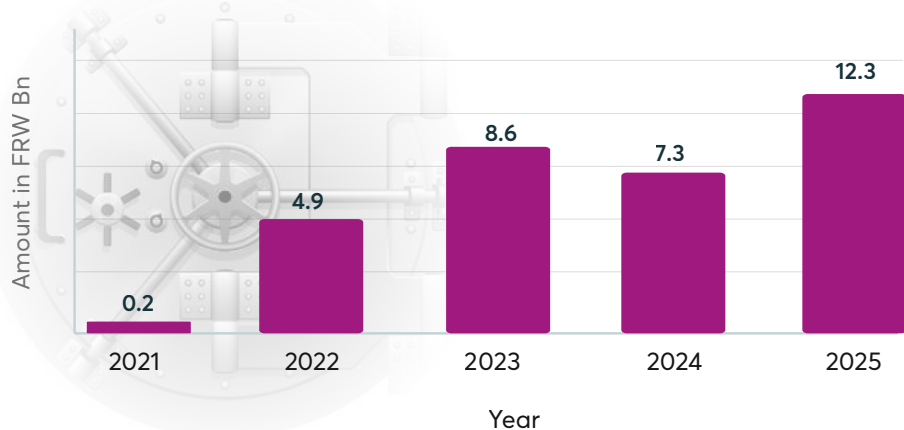
Total Assets



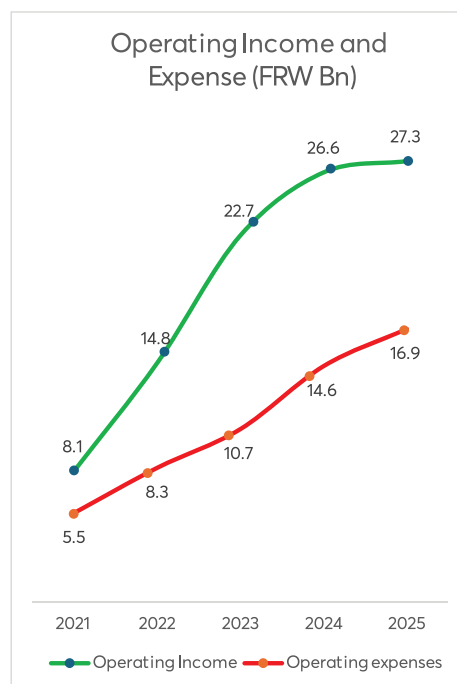
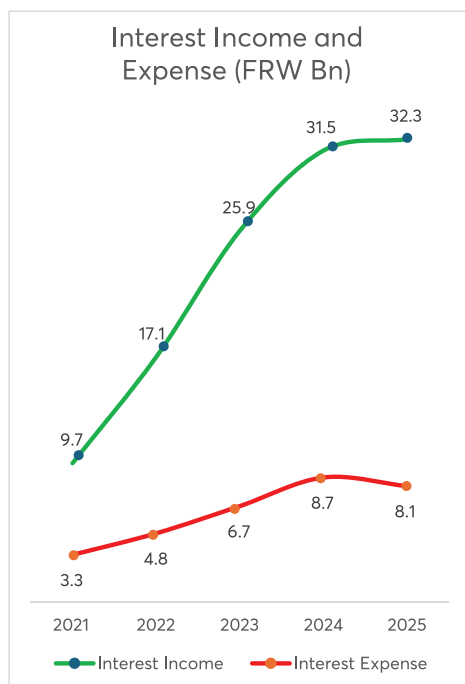
Shareholders' Funds



Profit before tax (FRW Bn)



*Figures in FRW Billions



	KEY RATIOS	2021	2022	2023	2024	2025
1	Return on Equity	2.9%	14.2%	19.0%	14.5%	19.1%
2	Return on Assets	0.5%	2.3%	3.0%	2.3%	2.8%
3	Cost to income ratio	67%	57%	47%	55%	62%
4	Interest income/Earning assets	12.8%	15.0%	15.0%	16.6%	13.8%
5	Interest expense/Deposits	4.7%	5.0%	5.0%	5.3%	4.4%
6	Staff costs to Income	5.6%	20.6%	17.5%	18.1%	5.7%
7	NFI to total income	21.4%	17.2%	15.5%	14.4%	1.4%
8	Cost of risk	4.7%	1.8%	3.2%	-4.9%	1.5%
9	Core capital to RWA	26%	18%	18%	21%	4%
10	Liquidity coverage ratio	187%	275%	278%	285%	171%

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

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Our Vision

To be the
Financial
Partner that
Inspires your
Growth

Our Values



Open by being: ●

- Honest
- Transparent
- Inclusive



Trusted: ●

- Teamwork
- Integrity
- Accountability



Driven by being: ●

- Decisive
- Passionate
- Bold



Responsive: ●

- Speed
- Simplicity & Innovation
- Focusing on our customers

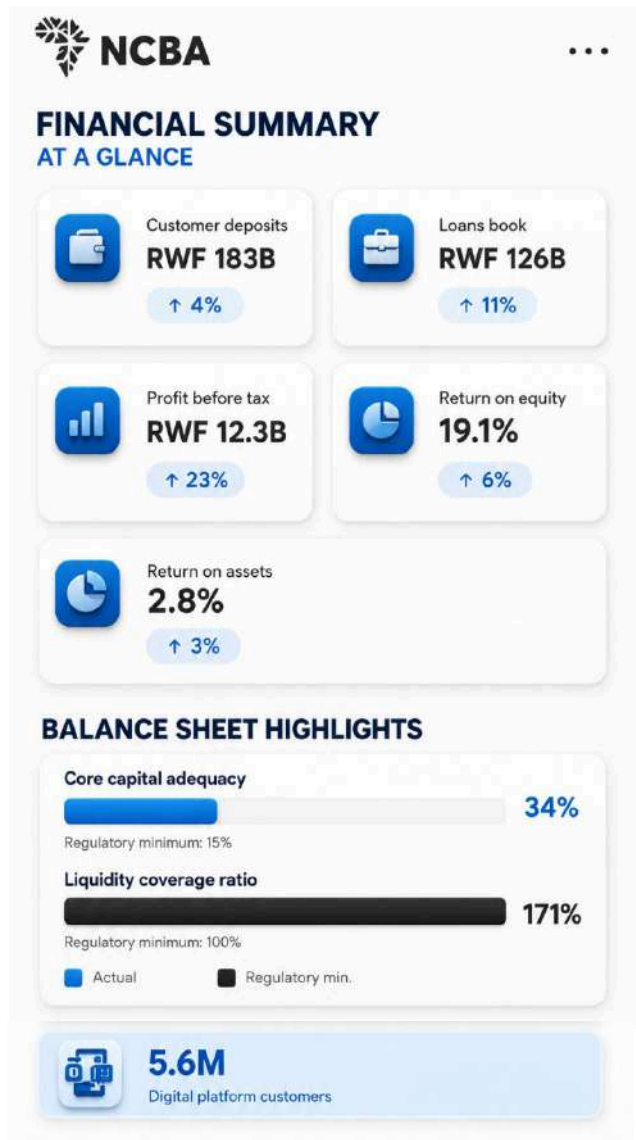


AMB. DR. BENJAMIN M. RUGANGAZI

BOARD CHAIRPERSON

Reflections From The

Chairman



It is my privilege to present the NCBA Rwanda Integrated Report to our stakeholders. On behalf of the Board, I thank you for your continued trust and support, which remain central to our ability to deliver sustainable value and advance our strategic ambitions in Rwanda.

2025 was a demanding but important year for NCBA Rwanda. We grew our employee base to 239 and expanded to ten outlets across four of Rwanda’s five provinces, strengthening access, customer proximity and our contribution to national development.

Financial Performance

Revenue grew by 3% from RWF 26.6 billion in 2024 to RWF 27.3 billion in 2025, while profit before income tax increased by 67% from RWF 7.3 billion to RWF 12.3 billion, supported by recoveries from previously written-off non-performing loans. This reflects the resilience of our business model and disciplined execution during the year.

Our balance sheet remained strong. Total assets increased by 31% from RWF 227 billion to RWF 298.6 billion, customer deposits grew by 12% to RWF 183.5 billion, and customer loans and advances rose by 34% from RWF 95 billion to RWF 127 billion. Asset quality remained sound, with a non-performing loan ratio of 2.4%, while shareholders’ equity increased to over RWF 44 billion.

Strategic Milestones

The year marked the conclusion of our extended 2020–2024 strategic cycle, through which we focused on growth, channel expansion, product development, brand strengthening and a high-performance culture. Over this period, we made meaningful progress and laid a stronger foundation for long-term growth.

Reflections From The Chairman

While some milestones were affected by implementation challenges, the lessons learned have informed our 2026–2030 strategy, now underway. Under this new cycle, we aim to build a RWF 1 trillion business over the next five years.

Major Investments and National Impact

In 2025, we continued to support Rwanda's development agenda through strategic investments, in nationally significant infrastructure and sustainable finance initiatives, while deepening support to key sectors of the economy including manufacturing, and providing critical foreign exchange services. We also advanced financial inclusion through Mokash, extending access to financial services across the country.

Looking Ahead

Our 2026–2030 Ubuntu strategy is anchored on the purpose, "Banking on Belief, Empowering Ambition", and our vision to be "Rwanda's Most Trusted Financial Ally". We have defined clear strategic initiatives and milestones to guide execution over the next five years.

Looking ahead, emerging technologies such as artificial intelligence will continue to reshape the business landscape, and we are investing in the capabilities required to respond effectively. The growing body of ESG regulations, including emerging climate disclosure requirements aligned with IFRS S1 and S2, sustainability reporting obligations, and heightened expectations around environmental and social governance, is reshaping how banks operate, report, and are held accountable. For NCBA Rwanda, this means investing in additional governance structures, strengthening our climate risk frameworks, enhancing sustainability data capabilities, and ensuring our reporting meets the standards expected by regulators, investors, and the communities we serve. We also remain mindful of global and regional pressures, including conflict, inflation, supply constraints and regulatory change, and will continue to act with agility and prudence.

The ongoing transaction through which Nedbank is acquiring a majority stake in NCBA Group is another important development. We believe this presents an opportunity to benefit from greater scale, complementary capabilities and broader product expertise, creating additional value for NCBA Rwanda and its stakeholders.

I thank our shareholder for its continued confidence in the Rwandan market, including an investment of over RWF 30 billion. I would also like to extend my sincere appreciation to our customers, who remain at the heart of our purpose, for the trust and loyalty they continue to place in NCBA Bank Rwanda. Their ambitions, businesses, and everyday aspirations inspire and shape the work we do each day. I also extend my gratitude to my fellow Board members for their guidance and oversight, as well as the Group leadership under the stewardship of John Gachora, together with Management and all employees, for their dedication to strengthening a resilient and sustainable brand in Rwanda.

Thank you



Ambassador Dr. Benjamin Rugangazi
Board Chair

Board of Directors



AMB. DR. BENJAMIN M. RUGANGAZI

Chairman of the Board of Directors

Amb. Dr. Benjamin M. Rugangazi is an entrepreneur with broad leadership skills in government and academia. He is currently the Executive Manager of Nema Company Ltd, a privately owned light manufacturing and Agro-processing company in Rwanda. Amb. Dr. Rugangazi started his career in Veterinary Medicine in 1982 before venturing into the investment arena. Between 1995 and 2004, he served as the Chief Executive Officer of Tri-Star investments, a private company with acquisitions in mobile telephony in East Africa, construction, and agricultural projects. He later joined the government of Rwanda as Ambassador to China and six other South Asian countries, and later as Rwanda's High Commissioner to Tanzania. He holds a PhD. in Veterinary Science from the University of Nairobi and an Executive Business Management Certificate from UCLA, USA. He has written and co-authored Academic Publications. Amb. Dr. Rugangazi is a member of the board of Phoenix Rwanda Insurance Company.

Appointed : 13/06/2017



HON. ABDIRAHIN HAITHAR ABDI

Director

Hon. Abdirahin Haithar Abdi served as the speaker of the East African Legislative Assembly (2007 to 2012), having been a member of the assembly from 2001. He was instrumental in influencing legislative oversight and fostering regional integration. Hon. Abdi holds a BSc degree in Business Administration (Finance) and has been accorded presidential awards and international appointments in legislative roles for his distinguished service to the nation and region. He is a seasoned businessman with multi- sectoral experience acquired from private and public sectors and holds directorships in various companies.

Appointed : 19/03/2018



MS. RITA M. KAMANZI

Directors

Ms. Rita M. Kamanzi is Chief Human Resource Officer at AOS Ltd since September 2015. She previously worked with renowned private and public institutions such as KT Rwanda Network, Rwanda Development Board, Rwanda Information Technology Authority and Kigali Institute of Education. Ms. Kamanzi also served as Director of e-Government when the Government of Rwanda was implementing different strategic e-Government solutions where she played a vital role in the development of the Rwanda ICT Sector covering areas of project management, policy formulation, sector strategic planning and execution, as well as M&E. She holds a Bachelor's degree in Computer Science (Bangalore University) and MSc.IT, option Computer Science & Software Engineering from the University of Rwanda.

Appointed : 5/09/2018

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MS. JULIANNE K. KAYONGA

Director

Ms. Julianne K. Kayonga is a distinguished expert in agribusiness, possessing over two decades of specialized experience in the coffee industry. She served as the Regional Manager for Africa at Starbucks for 16 years. Currently, she is the founder and operator of Cafe Collective Ltd., a coffee business dedicated to promoting quality coffee production and export.

Julianne chairs the Board of Directors for Horizon Sopyrwa Company in Rwanda and also serves as the Chairperson of the Board of Directors for Pytech in Tanzania. Her extensive experience includes working with international organizations, such as USAID-Rwanda and ACDI/VOCA, where she contributed to various initiatives aimed at strengthening the country's agricultural exports and promoting food security. She holds a Master's degree in Natural Resources Development from Texas A&M University, along with a Certificate of Advanced International Affairs from the Bush School of Government and Public Service at Texas A&M University. She also earned a Bachelor's degree in Law from the University of Rwanda

Appointed : 04/06/2018



MR. NELSON J.M. MAINNAH

Director

Mr. Nelson J. M. Mainnah holds a Bachelor of Commerce (Accounting) degree from the University of Nairobi. He is a member of the Kenya Institute of Management (KIM) and is an alumnus of INSEAD, France, where he obtained qualifications on Risk Management in Banking. He retired from Commercial Bank of Africa as Group Head of Enterprise Risk in April 2012 after working for the Bank for thirty-eight years. Mr. Mainnah has considerable expertise in business management, credit and enterprise risk, and treasury operations. He holds various board positions in the educational sector and offers financial leadership in various charitable organisations. He is currently involved in strategic leadership and risk management through consultancy services.

Appointed : 19/03/2018



MS. EUGENIA KAYITESI

Director

Ms. Eugenia Kayitesi is the Executive Director of the Institute of Policy Analysis and Research (IPAR-Rwanda) since February, 2014. She previously worked with the Commercial Bank of Rwanda (BCR) for a period of 10 years where she held different roles including Credit Analyst, Credit Manager, Compliance and Board Support Officer, and Risk Management Manager. She is an Honors Graduate of Social Sciences from Makerere University, and has an MBA from Maastricht School of Management, Netherlands. She is currently pursuing a PhD degree in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology. Ms. Kayitesi also holds professional development certificates in Risk Management in Banking from Stockholm (Sweden) and School of Finance and Banking Kigali Rwanda. She serves as an advisory Board member of African Portal and Board member of KIM University in Kigali-Rwanda. She sits on the National Independent Review Panel (NIRP) for the Rwanda Public Procurement Authority (RPPA).

Appointed : 13/06/2017



MR. DEOGRATIUS KAMURASE
Director

Mr. Deogratius Kamurase is the Country Manager for Kerzner (One&Only Resorts) managed properties in Rwanda. He is a resourceful, forward- thinking business management professional, with 18 years of professional leadership experience in various business portfolios. He possesses broad knowledge in stakeholder management with a proven track record in project execution. With leadership and managerial experience gained over time, Mr. Kamurase aspires to continue broadening his skills at leading critical high valued projects, while adhering to the implementation and execution of cost-effective policies resulting in significant bottom-line performance. He holds a Bachelor’s degree in Business Administration (Makerere University) and an MBA in Finance from University of Wales Cardiff. He has also served on the boards of companies in the telecommunication, Banking, Tourism and Hospitality sectors.

Appointed : 31/07/2018



DR. JAMES NDAHIRO
Director

Dr. James Ndahiro joined the Board of Directors in November 2023. He brings extensive experience in finance, governance, and development. He spearheaded the establishment of the Rwanda Stock Exchange and currently serves as Technical Advisor to the Government of Rwanda-through the Ministry of Finance-supporting the development of capital markets. He also championed East African integration efforts during his time in the East African Legislative Assembly. A committed advocate for Alternative Dispute Resolution (ADR), Dr. Ndahiro promotes its use within the Rwandan Judiciary. Despite visual impairment, his leadership, innovative thinking, and meticulous attention to detail make him a significant asset to Rwanda’s progress.

Appointed : 28/11/2023



MR. MAURICE KIPROTICH TOROITICH
Director

Mr. Maurice Toroitich is a career banker with three decades of experience, including 15 years at executive level. He previously served as the founding CEO of KCB Bank in Rwanda and later as Managing Director of BPR Bank Rwanda. His leadership style is defined by robust stakeholder engagement and an unwavering commitment to risk management and good governance. He holds an MBA from Strathmore University and a bachelor’s degree in commerce from the University of Nairobi. He is a Certified Public Accountant, an Associate of the Chartered Institute of Bankers and certified Executive Coach.

Appointed : 06/12/2024

MANAGEMENT



MR. MAURICE KIPROTICH TOROITICH

Managing Director

Mr. Maurice Toroitich is a career banker with three decades of experience, including 15 years at executive level. He previously served as the founding CEO of KCB Bank in Rwanda and later as Managing Director of BPR Bank Rwanda. His leadership style is defined by robust stakeholder engagement and an unwavering commitment to risk management and good governance. He holds an MBA from Strathmore University and a bachelor's degree in commerce from the University of Nairobi. He is a Certified Public Accountant, an Associate of the Chartered Institute of Bankers and certified Executive Coach.



MR. NICHOLAS N. MUSYOKA

Head of Finance

Mr. Nicholas N. Musyoka is a chartered accountant and member of the Institute of Certified Public Accountants-Kenya (ICPAK) with over 20 years in banking and financial management. Prior to joining NCBA, he worked for KCB Bank in Kenya and the East Africa region, gaining experience in finance, strategy, credit risk, treasury and branch operations. Mr. Musyoka is well versed in project management, having successfully led the implementation of ERP and core banking solutions. He also counts, among his skills, financial modelling, strategic mindset, and the design and implementation of business plans.



MS. ROSELYN MUNYANA

Head of Digital Business

Ms. Roselyn Munyana joined NCBA Rwanda's Digital Business Department in December 2018, as a Portfolio Analyst for the mobile savings and loan product (MoKash). She was then appointed Head of Digital Business in May 2021. Prior to joining NCBA Rwanda, Ms. Munyana worked in the Treasury Department of Guaranty Trust Bank Rwanda and the E-Business Department of Access Bank Rwanda. She has 7 years' experience in the Banking sector across different areas. Ms. Munyana holds a Bachelor's Degree in Electrical Engineering and has an MBA in Finance.



MR. CHRISTIAN DINGIDA

Head of Operations

Mr. Christian Dingida is a proficient career banker with 20 years of experience. He has wide experience in bank operations' management, business development, product development, project management, quality assurance, operational excellence and branch management. Prior to this role, he was the Head of Operations at Crane Bank Rwanda Ltd. He also held various roles in KCB Rwanda where he drove the expansion of the business in the country. Mr. Dingida has also worked for Global Fund projects under the Rwanda Ministry of Health, and held senior roles in BCDI, currently Ecobank Rwanda. He is a holder of an MBA – Finance and Accounting from the Mount Kenya University, and a degree in management from Kigali Independent University.



MR. PAULIN KADAHIZI
Head of Enterprise Risk Management and Compliance

Paulin Kadahizi is a seasoned banking and financial services professional with over 17 years of experience in the banking sector, specializing in enterprise risk management, regulatory compliance, anti-money laundering and counter-financing of terrorism (AML/CFT), banking supervision, corporate governance, and financial sector regulation. His career spans both regulatory and commercial banking environments, having served in supervisory roles at the Central Bank for 9 years as well as senior leadership positions within the commercial banking sector for 8 years.

Mr. Kadahizi joined NCBA Bank Rwanda in March 2017, where he played a key role in establishing and strengthening the Bank's strategy, governance, risk management, and compliance frameworks.

He holds a Master of Business Administration (MBA) in Accounting and Finance from the Maastricht School of Management, Netherlands, and a Bachelor of Arts in Economics. He is also a Certified Expert in Risk Management (CERM) from the Frankfurt School of Finance & Management and a Certified Anti-Money Laundering Specialist (CAMS).



MR. MICHEAL MURINZI
Head of Information Technology

Mr. Micheal Murinzi was appointed as the Head of IT in September 2025. He has over 10 years of experience in banking IT, with expertise in core banking systems, digital platforms, and application support.

He has also held key roles at NCBA, Unguka Bank, and Access Bank, leading major IT projects and system upgrades. He holds a Bachelor's degree in Computer Science and is certified in Microsoft technologies, The Open Group Architecture Framework (TOGAF), and digital transformation and is currently pursuing Project Management Professional (PMP) certification.



MR. ANNIBALE SHYAKA
Head of Global Markets

Mr. Annibale Shyaka joined NCBA Rwanda's Global Markets Department in January 2021 as a Senior Dealer responsible for growing the Bank's share of Forex business before he was appointed Head of Global Markets in June 2022. Before joining NCBA Rwanda, Mr. Shyaka was the Head of the Treasury Department at Guaranty Trust Bank Rwanda where he had also worked in the Business Department and loan recoveries. Mr. Shyaka holds a Bachelor's Degree in Electronics & Telecommunications Engineering and an ACI dealing Certificate; he is a CFA level 1 Candidate.



MR. ERIC MUGANGA SEMUZIMA, CHRA
Head of Human Resources

Mr. Eric Muganga Semuzima joined NCBA Rwanda in August 2023 as the Human Resources lead. He is a Chartered Human Resources Analyst (CHRA, 2014) and an Accredited Mediator (March 2025), with over 12 years of experience across banking and hospitality.

He has held senior HR roles at Access Bank Plc and New Forest Company, and most recently served as Director of HR at Radisson Hotel Group across multiple properties in Rwanda and Niger.



MR. SAM MANZI
Head of Information
Security

Mr. Sam Manzi joined NCBA Rwanda in November 2023. As an accomplished IT and cyber-security professional, he is dedicated to fortifying our digital defences and ensuring the highest standards of data protection. With over 9 years of experience in IT and Information Security, he has a deep understanding of industry best practices, compliance standards, and emerging technologies. He has led various projects to drive the compliance of the Rwanda Data Protection and Privacy (DPP) Law, ISO 9001, ISO 22301, ISO/IEC 27001 and PCIDSS. He holds a Bachelor of Technology in Information and Communication Technology (ICT) from the University of Rwanda, is a member of the International Information System Security Certification Consortium (ISC2), has a certificate of banking from Access Bank's School of Banking Excellence - Lagos, Nigeria, and a continuous track record on professional training and certificates.



MR. SAMUEL NKUBITO
Head of Business

Mr. Samuel Nkubito joined NCBA Rwanda in January 2025 as Head of Business. He is an experienced banking and finance professional with a strong track record in business development and retail banking.

He has held key leadership roles including Executive Head of Business Development at Bank of Africa Rwanda, and Head of Retail at Equity Bank, where he drove growth and enforced customer-focused strategies.

Mr. Nkubito holds an MBA in Strategic Management, a Bachelor's degree in Human Resource Management, and is a Certified Aviation Manager accredited by IATA.



MR. JOSEPH MUGIRE
Head of Legal &
Company Secretary

Mr. Joseph Mugire joined NCBA Rwanda in September 2024 as Head of Legal and Company Secretary. He is an experienced legal professional with over 15 years of expertise in banking, taxation, and corporate law.

He has held senior roles at BPR Bank Rwanda Plc and the Rwanda Revenue Authority, with strong capabilities in corporate governance, regulatory compliance, and litigation management.

Mr. Mugire holds a Master's degree in Business Law, Postgraduate Diploma in Legal Practice, and Bachelor's degree in Law. He is an Advocate of the Rwanda Bar and a Certified Mediator.



MR. EMMANUEL MUGISHA
Head of Credit Risk
Management

Mr. Emmanuel Mugisha joined NCBA Rwanda in September 2024 as Head of Credit Risk Management. He is a seasoned banking professional with over 15 years of experience in credit risk, market risk, and financial analysis across leading financial institutions including Urwego Finance, CogeBanque, Equity Bank Rwanda, Access Bank, and Ecobank.

He has held senior leadership roles such as Head of Credit Risk Management and Acting Chief Risk Officer, where he led credit strategy, policy development, portfolio management, and risk governance.

Mr. Mugisha holds a Bachelor's degree in Economics and Business Studies (Management) from Kigali Independent University and is a Certified Professional Banker, with additional international certifications in credit risk, market risk, and business continuity management.

**MR. MAURICE KIPROTICH TOROITICH**

MANAGING DIRECTOR

Reflections From The Managing Director

2025 was a defining year for NCBA Bank Rwanda, marked by stronger financial performance, disciplined execution and a deeper integration of purpose into our growth strategy.

It was a year in which the foundations laid in previous periods translated into results — strengthening our balance sheet, expanding our market presence, and reinforcing our role as a trusted partner in Rwanda's economic and social development.

During the year, Rwanda's economy demonstrated resilience and momentum. Economic activity remained strong, with GDP growth reaching 11.8%, supported by robust performance across services and industry. Inflation averaged just above 7%, while the Central Bank maintained a prudent monetary policy stance. These conditions created both opportunities and responsibilities for financial institutions to support growth while maintaining disciplined risk management.

Within this context, NCBA Bank Rwanda delivered one of its strongest financial performances to date. Total assets grew 31% year-on-year to RWF 298.6 billion, reflecting strong expansion in our lending portfolio and continued growth in customer deposits. Gross loans increased 34% to RWF 126.8 billion, driven primarily by corporate lending and the continued growth of our digital lending platforms. Customer deposits grew 12% to RWF 183.5 billion, demonstrating growing trust in the Bank's stability and service proposition.

As a result, Profit Before Tax rose to RWF 12.3 billion, a 67% increase over the prior year. This performance was supported by strong growth in digital lending income, improved asset quality, and recoveries. Our cost of risk declined materially to 1.7%, reflecting disciplined credit management and improved portfolio performance.

Digital lending income grew strongly during the year, and the digital segment now contributes over half of the Bank's operating income, reflecting the global shift toward technology-enabled financial services that expand access while maintaining efficiency.

Beyond financial performance, 2025 was equally important in strengthening the foundations of our brand through sustainability, partnerships, and community impact. We signed a landmark collaboration with Green City Kigali on World Environment Day, reinforcing our commitment to sustainable urban development and green finance. Through this partnership, the Bank positioned itself at the intersection of environmental stewardship, housing development, and long-term investment in Rwanda's future cities.

Similarly, our entry into Rwanda's electric mobility ecosystem through the Umurabyo electric taxi financing initiative, implemented in partnership with Kabisa, demonstrated how financial innovation can support the country's transition toward cleaner and more sustainable transport systems.

These initiatives reflect a broader philosophy that purpose and performance are mutually reinforcing. By aligning financial solutions with national development priorities, we can unlock new markets while contributing meaningfully to the communities we serve.

Community investment remained a central pillar of this approach. Through initiatives supporting education, gender inclusion, and youth development, NCBA Bank Rwanda continued to demonstrate that long-term growth must be accompanied by meaningful social impact. Scholarships supporting vulnerable children in Musanze, financial literacy programs for students, and initiatives addressing period poverty all formed part of a broader commitment to drive inclusive progress.

Reflections From The Managing Director

Sport also emerged as a powerful platform for community engagement and relationship building. The NCBA Golf Series continued to grow as a flagship engagement platform connecting business leaders, professionals, and emerging talent. At the same time, the introduction of Rwanda's first corporate-backed Junior Golf Series expanded opportunities for young players, reinforcing our belief that long-term impact begins with early investment in youth.

Internally, our people remained the driving force behind these achievements. We continued to strengthen a culture grounded in inclusion, collaboration, and performance, ensuring that our teams are empowered to deliver exceptional service while remaining connected to the communities we serve.

Equally important was our participation in regional and global platforms shaping the future of finance. Through engagements at forums such as the Inclusive Fintech Forum, the ASEA Annual Conference, and international diaspora events, NCBA Rwanda continued to contribute to conversations around financial inclusion, digital transformation, and sustainable economic growth.

As we look ahead, the Bank enters the next phase of its journey with confidence. The foundations built over the past several years, including strong financial performance, disciplined risk management, expanding digital capabilities, and a growing ecosystem of partnerships, position us well to continue supporting Rwanda's economic transformation.

Building on this strong foundation, the Bank is introducing its 2026–2030 Ubuntu Strategy, anchored on our renewed organisational purpose, Banking on Belief – Empowering

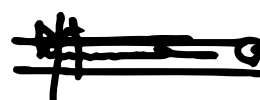
Ambitions. This purpose reflects our conviction that belief in people, ideas, and possibilities is a powerful catalyst for progress, and reinforces our commitment to enabling customers, businesses, and communities to realise their aspirations.

The Ubuntu Strategy will guide our next phase of growth through four strategic pillars: fortifying the core business by enhancing service reliability, leveraging data-driven growth, strengthening product management, and elevating our corporate banking proposition; scaling high-growth segments including SME and digital banking through sharper customer propositions; unlocking new growth frontiers by expanding into new markets and sectors; and building a future-ready organisation through a more empowered, purpose-driven operating model and culture.

Our focus in the coming years will remain clear: deepening customer relevance, expanding access to financial services, strengthening sustainable finance, and continuing to deliver long-term value to our customers, communities, and shareholders.

Rwanda's growth story is one of ambition, resilience, and long-term vision. At NCBA Bank Rwanda, we are proud to play our part in enabling that progress by partnering with individuals, enterprises, and institutions to turn opportunity into sustainable prosperity.

Murakoze



Maurice Toroitich
Managing Director



FROM BLUEPRINT TO REALITY

Are you looking to construct a new commercial building, office block, or to build a factory. NCBA's Real Estate Finance loans exist to provide support for strategic real estate projects. As a regional leader in real estate and construction finance, we offer the funds and insights needed to turn your vision into reality.

Call now!

+250 788 149 500

Email: contact.rw@ncbagroup.com

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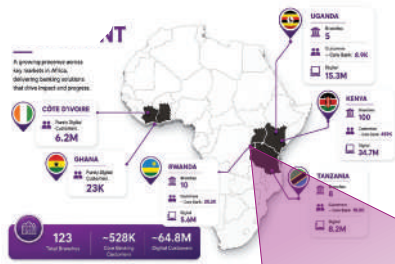
NCBA Rwanda is regulated by the National Bank of Rwanda (BNR)

rw.ncbagroup.com

Go for it

Rwanda's growth story is one of ambition, resilience, and long-term vision. At NCBA Bank Rwanda, we are proud to play our part in enabling that progress.





OUR NATIONAL FOOTPRINT

A growing presence across Rwanda, delivering banking solutions that drive impact and progress


10

Total Branches


10.8k

Customers - Core Bank

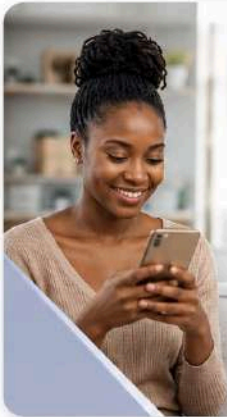

5.6M

Digital

Business Segment Analysis

Business segmentation

To enhance long-term value creation and deliver more tailored services, the Bank segments its customers into four primary clusters:



Retail / Consumer Banking

Individuals

Delivering the highest level of personalised financial services to individual customers focused on convenience, trust, and tailored solutions.



Corporate Banking

Large corporates

Providing an array of solutions to large corporates and institutions; multi-nationals, NGOs, government institutions, ministries, insurance companies, and other financial institutions.



Business Banking

Micro · SME

Providing financial solutions to micro enterprises, small enterprises, and medium enterprises including traders, retailers, and manufacturers.



Mobile Savings & Loans (MSL)

Digital · Inclusive

Providing digital financial solutions, savings and loan facilities to both banked and unbanked retail clients through mobile platforms.

Our Products

NCBA Rwanda's customer proposition is designed to enhance convenience, deliver tailored financial solutions, and build strong partnerships that drive innovation, sustainable value, and long-term growth.

Beyond traditional banking services, the Bank offers Mobile Savings and Loans (MSL) products, specifically targeted at underserved and unbanked segments, to expand access to financial services and support broader financial inclusion within the country.



Retail/ Consumer Banking

Individuals

Delivering the highest level of personalised financial services to individual customers focused on convenience, trust, and tailored solutions.



ACCOUNTS



Savings Accounts & Fixed Deposits



Current Account



LOANS & FINANCING



Unsecured Personal Loans



Secured Personal Loans



Mortgage Facilities & Land Purchase Loans



Asset Financing & Motor Card Financing



Equity Release



CARD & INSURANCE



Visa Debit & Credit Cards



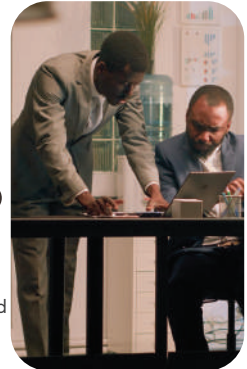
Insurance Premium Financing (IPF)



Business & Corporate Banking

SMEs | Corporates | Institutions

Providing financial solutions to businesses of all sizes and institutions to help grow, thrive and create impact.



ACCOUNTS & FOREIGN EXCHANGE



Savings Accounts & Fixed Deposits



Foreign Exchange



DIGITAL & LENDING



Corporate Internet Banking & API



Working Capital, Overdrafts, Contract & Invoice Financing



Investment Loans & Asset Finance



TRADE FINANCE & GUARANTEES



Bid Securities, Performance Guarantees, Advance Payment Guarantees, Payment Guarantees



Bills for Collection, Letters of Credit

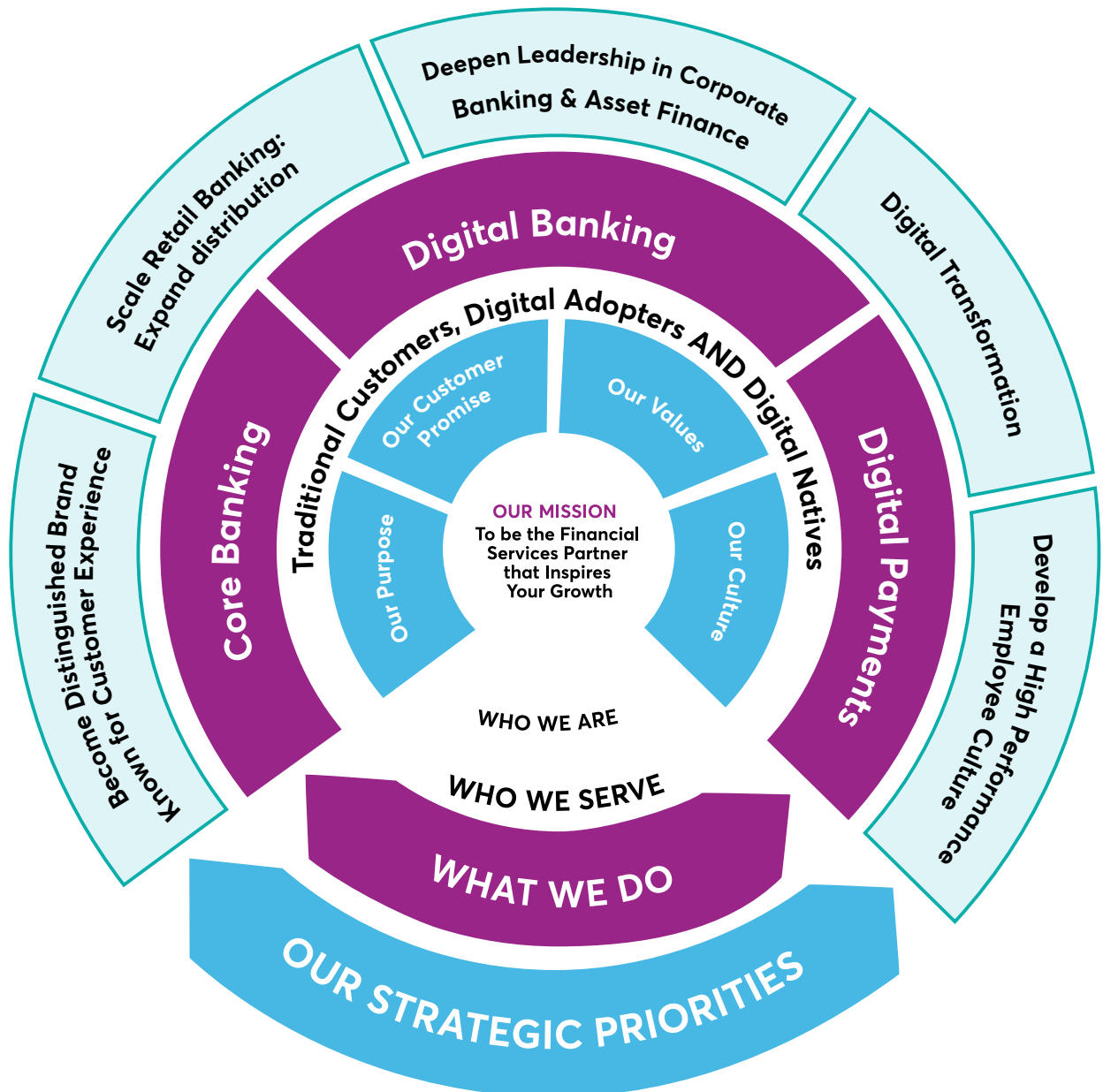




Our Value-creation model

How we create value

Our purpose is to create value for all stakeholders by leveraging our resources, maintaining our relationships, and optimizing financial performance. Our value creation process is integrated into our business model and decision-making process



Our capitals

The Integrated Reporting Framework enables organizations to adapt their reporting approach to reflect their specific operating context, while articulating how value is created over time. This report presents our value creation through the perspective of our stakeholder relationships, applying a framework that acknowledges that the relevance and application of different capitals vary across organizations. These capitals include:

Capitals	Inputs	Key themes affecting our capitals	Outputs
FINANCIAL CAPITAL Our financial capital strength, derived from a strong capital base and diversified sources of deposits and funding from investors and customers, enables us to support customers' working capital requirements, provide efficient cash management solutions, facilitate foreign exchange requirements, and sustain business growth while maintaining financial resilience.	Share Capital -RWF 30.4 billion Retained earnings: RWF 13.9 billion	• Operating and business environment in Rwanda • Level of investments and capital allocation decisions • Extension of credit and customer financing demand • Macroeconomic performance and market conditions • Regulations impacting financial position and performance • Quality of the loan book and portfolio performance • Cost-to-income ratio (CIR) management and operational efficiency • Cost of funds and liquidity dynamics	Profitability (PBT): Rwf 12.3Bn ROE: 19.1% Interest income/Earning assets: 13.8%

Capitals	Inputs	Key themes affecting our capitals	Outputs
HUMAN CAPITAL Our employees, our 'Go Getters', are central to the achievement of our strategic ambitions. We continue to invest in our people, culture, collective knowledge, and skills development to foster innovation, strengthen organisational capability, and deliver competitive solutions that create value for customers and stakeholders.	- Total number of staff: 239 - Salaries and benefits: RWF 4.8 billion - Training and capability development (average 84.18 hours per employee) - Talent progression through 20 internal promotions	- Ability to attract, develop, and retain talent required to deliver strategic priorities - Competition for talent and employee mobility across the banking sector - Skills gaps in emerging areas, particularly sustainability, digital transformation, and AI - Employee engagement, wellbeing, and performance culture - Workforce capability, succession planning, and leadership pipeline	Workforce Gender Ratio (Female-Male): 45%-55% Employee Engagement Score: 78% ICSAT: 78% Talent Retention Rate: 91% Staff Cost-to-Income Ratio: 18.1%
INTELLECTUAL CAPITAL In response to evolving market dynamics and customer needs, the Bank continues to refine its Retail and SME product offerings, including asset finance, mortgages, business term loans, and agriculture financing. Since 2017, through our partnership with Mobile Money Rwanda Limited, we have expanded access to financial services through mobile savings and lending solutions. Today, our market leadership in digital credit provision and extensive customer reach are supported by valuable intangible assets including our brand, reputation, innovation capability, strategic partnerships, and institutional knowledge.	- Our people and institutional expertise - Our dynamic strategy and innovation agenda - Product portfolio including lending and deposit solutions - Strategic partnerships and digital platforms - Risk management capabilities including interest rate, currency, and liquidity management	- Regulatory changes and compliance requirements - Disruption of traditional business operating models - Evolving customer expectations and digital adoption - Innovation and competitive market pressures - Technology advancement and cybersecurity considerations	5.6 million digital customers RWF 226.6 billion disbursed through MoKash in 2025

Capitals	Inputs	Key themes affecting our capitals	Outputs
SOCIAL & RELATIONSHIP CAPITAL NCBA Rwanda recognises the important role that the communities in which we operate play in our success. Guided by our shared growth, shared value philosophy, we remain committed to contributing meaningfully to a thriving society through inclusive financial solutions, community investments, partnerships, and stakeholder engagement.	• Commitment to channel lending towards sustainable investments • CSI investments, including sponsorships • Investments in digital platforms and strategic partnerships • Training and capacity building for customers and businesses • Participation in policy development and industry dialogue	• Evolving ways of working and customer engagement • Privacy, trust, and responsible data management • Shifting demographics and changing customer expectations • Demand for inclusive and equitable economic participation • Stakeholder expectations and reputational considerations	Customer Net Promoter Score (NPS): 96 against a target of 65 Customer Satisfaction (CSAT)-91% Customer Effort Score (CES)-100% Over 5 million distinct customers served in Rwanda

Stakeholder Engagement

Stakeholder	Material Issues	Risk & Impact	Opportunities	Desired outcomes
Customers	- Secure, stable and convenient transactional platforms. - Value for money. - Service excellence and personalized financial solutions. - Fair and transparent treatment.	- System downtime resulting in customer inconvenience and financial losses. - Rapid technological changes leading to product or platform obsolescence. - Loss of customer trust resulting in reduced business and customer attrition. - Data breaches and privacy concerns. - Inadequate or uncompetitive customer value propositions (CVPs).	- Scale distribution channels to expand reach and market share. - Flexible and convenient products to drive customer uptake and satisfaction. - Strengthen customer advocacy through brand ambassadors and referrals.	- A distinguished brand recognised for customer excellence. - A compelling customer value proposition that enhances loyalty, satisfaction, and sustainable business growth.

Stakeholder	Material Issues	Risk & Impact	Opportunities	Desired outcomes
Society	- Participation in environmental and social improvement initiatives. - Contribution to policy development and responsible corporate citizenship through tax contributions, employment, ethical business practices, and socio-economic development. - Sustainable investments that support community resilience and inclusive growth.	- Harmful business practices resulting in reputational damage. - Legal and regulatory risks arising from non-compliance. - Loss of market relevance to competitors actively addressing social and environmental priorities.	- Drive meaningful and measurable change by addressing priority social and environmental issues. - Strengthen stakeholder trust through responsible business conduct and community investment.	- Establishment of long-term sustainable practices that are supportive of our communities. - Enhanced brand image and affinity. - Demonstrable sustainability thought leadership. - Enhanced brand image, stakeholder trust, and social affinity.
Employees	- Skills relevance and career growth. - Job stability and wellbeing. - A conducive and safe working environment. - A progressive and inclusive culture. - Open communication and employee engagement.	- Employee discontentment, demotivation, and disengagement. - High staff turnover and loss of institutional knowledge. - Skills shortages and capability gaps in a rapidly evolving business environment.	- Foster a strong organisational legacy grounded in diversity and inclusion. - Strengthen training, leadership, and career development programmes. - Reinforce corporate values that encourage openness, collaboration, and trust.	- A highly engaged, high-performing, and cohesive workforce. - A strong reputation for talent development and career growth in an evolving and competitive environment.

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Stakeholder	Material Issues	Risk & Impact	Opportunities	Desired outcomes
Government/ Regulators	Compliance with laws, regulations, and prudential requirements across all sectors of operation.	- Regulatory sanctions, penalties, or loss of operating licence arising from non-compliance. - Reputational risk and erosion of stakeholder confidence.	Strengthen reputation as a compliant, transparent, and trusted business partner, supporting growth opportunities and regulatory confidence.	Exceptional corporate governance standards and a strong reputation for regulatory compliance and accountability.
Shareholders	- Competitive returns on investment and equity. - A winning strategy that supports achievement of the Group's strategic ambitions.	Challenging operating environment, including legislative and market changes, adversely affecting strategy execution and financial performance.	- Strong balance sheet supportive of sustainable business growth. - Strong financial fundamentals to meet obligations and capital requirements. - Collaborative engagement with industry associations and regulators to support an enabling business environment.	Enhanced return on investment and sustainable return on equity.

A woman with short, dark, curly hair is jumping joyfully in an office setting. She is wearing a bright orange blazer over a white button-down shirt and dark trousers. Her arms are raised in a 'V' shape, and she has a wide, open-mouthed smile. The background is a blurred office interior with glass partitions and overhead lights. A large white female symbol is superimposed over the image, with the number '100' and the word 'POSSIBILITIES' integrated into it.

100
POSSIBILITIES

LET US WIN
TOGETHER

The successful completion of our first strategic cycle has strengthened our franchise, enhanced our competitiveness and laid a solid foundation for the Bank's next phase of growth.

Our Strategy

Review of Performance Against Previous Strategy: 2020–2025

2025 marked the close of NCBA Bank Rwanda's first strategic cycle, which ran from 2020. A defining period for the Bank, we focused on building a stronger, more competitive and resilient franchise anchored on customer growth, brand relevance, financial performance and institutional capability.

Over the strategy period, the Bank delivered meaningful progress against the outcomes it set out to achieve. We increased our customer franchise, strengthened customer satisfaction, expanded digital adoption and enhanced our relevance across priority customer segments. These outcomes were supported by deliberate execution of a more customer-led agenda, improved service experience, sharper propositions and continued investment in digital channels.

The Bank also delivered strong balance sheet growth, with loans and deposits expanding significantly over the strategy period. This growth strengthened our ability to

support customers, deepen relationships and respond to market opportunities in a disciplined and sustainable manner. The Bank's market position also improved, reflecting growing franchise competitiveness and increased visibility in the Rwanda banking sector.

Financial performance strengthened over the cycle, supported by increased customer activity, balance sheet growth and improved operating momentum. This progress provided a solid foundation for the next phase of growth and reinforced the Bank's role in supporting customers, businesses and communities across Rwanda.





BRAND RELEVANCE & CONSIDERATION

METRIC PILLAR	TARGET	ACHIEVED
 Customer Base Total volume of active banking relationships	4.0M	17K Core Bank 4.6M Digital Bank
 Customer Experience (CX) Net Promoter Score & Customer Effort Score	NPS: 65 CES: 85%	NPS: 76 CES: 100%
 Brand Power Market share of mind Index	4.0	3.9
 Branch Network Physical touchpoints established	12	9



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FOSTER CUSTOMER CENTRIC & PERFORMANCE CULTURE

CULTURAL PILLAR	TARGET	ACHIEVED
 Staff Cost to Income	21.1%	18.4% (Favorable)
 Employee Engagement	> 80.0%	81.0%
 Employee Retention	> 96.0%	84.3%



Staffing Scale-Up Note: Significant growth in overall staff compliment recorded from 2020 to 216 in 2024.



TRANSACTION SUCCESS RATE

CHANNEL	TARGET THRESHOLD	ACHIEVED PERFORMANCE
 Cards	> 90.0%	> 92.0%
 Mobile Banking	> 95.0%	> 97.0%
 Internet Banking	> 95.0%	> 99.0%



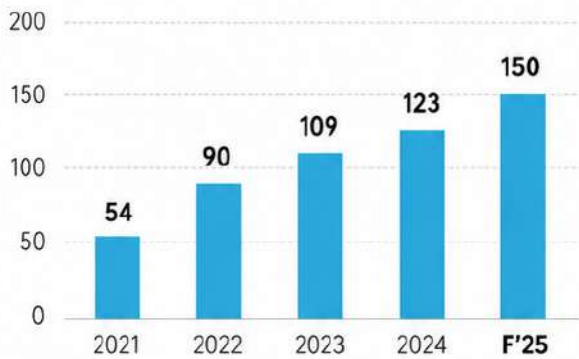
FINANCIAL PERFORMANCE INDICATORS

Historical Trends (2021 - 2024) & Forecasts (F'25)

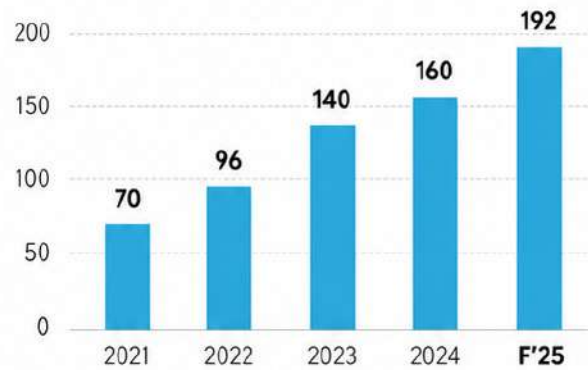
All figures in **RWF Billions**



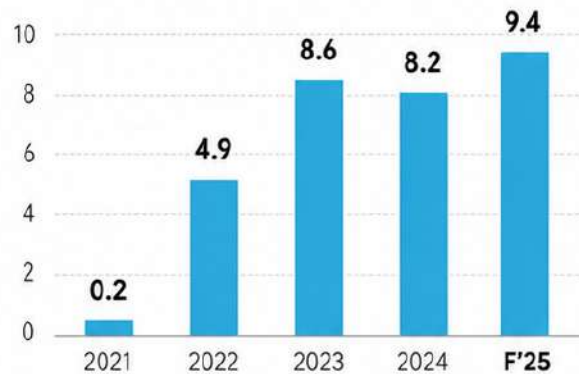
Gross Loans
(RWF Bn)



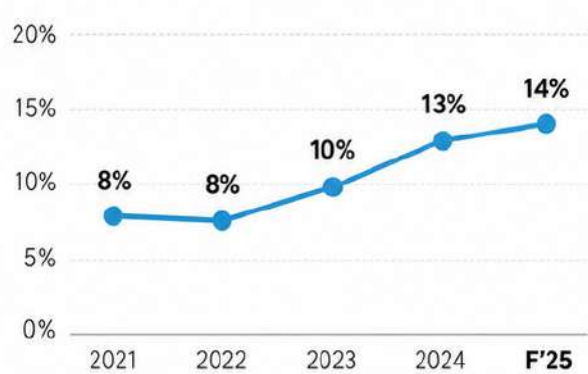
Deposits
(RWF Bn)



Profit Before Tax
(PBT - RWF Bn)



Net Interest Margin
(%)





2026 - 2030



We are now entering

A defining chapter in our journey, shaped by the scale we've built, the complexity we've embraced, and the possibilities ahead.



What began as a bold banking ambition is now evolving into something broader, more integrated, and more powerful: a belief driven financial services platform with the scale, agility, and vision to lead in East Africa's next economic era.

OUR PURPOSE, VISION & GOAL

Our Purpose, Vision and Goal are aligned to enabled us deliver the strategy over the period



Our Purpose

Banking on Belief,
Empowering Ambitions



Our Vision Statement

By 2030, we will be; East Africa's most trusted financial ally, enabling customers to realize their boldest ambitions with a unified platform that simplifies banking, investment, insurance and beyond.



Our Goal

Top 5 Banking Group in East Africa.

OUR VALUES

We remain deeply committed to upholding excellent conduct by living our Values



Driven by being;

Decisive | Passionate | Bold



Open by being;

Honest | Transparent | Inclusive



Responsive by embracing;

Speed | Simplicity and Innovation | Focusing on Customers



Trusted by embracing;

Teamwork | Integrity | Accountability

CUSTOMER PROMISE

Our customer promise remains unwavering



We KNOW You



We BACK You



We WOW You

UBUNTU SPIRIT

Ubuntu comes to life through four experiences we seek to create for both our customers and our people



BELONGING

We create an environment where our customers and our people feel valued, included and part of something bigger than themselves.



UNDERSTANDING

We listen with intent so that the needs, ideas and challenges of our customers and our people are understood and responded to meaningfully .



TRUST

We build confidence through integrity, reliability and follow-through, so our customers and our people know they can depend on us.

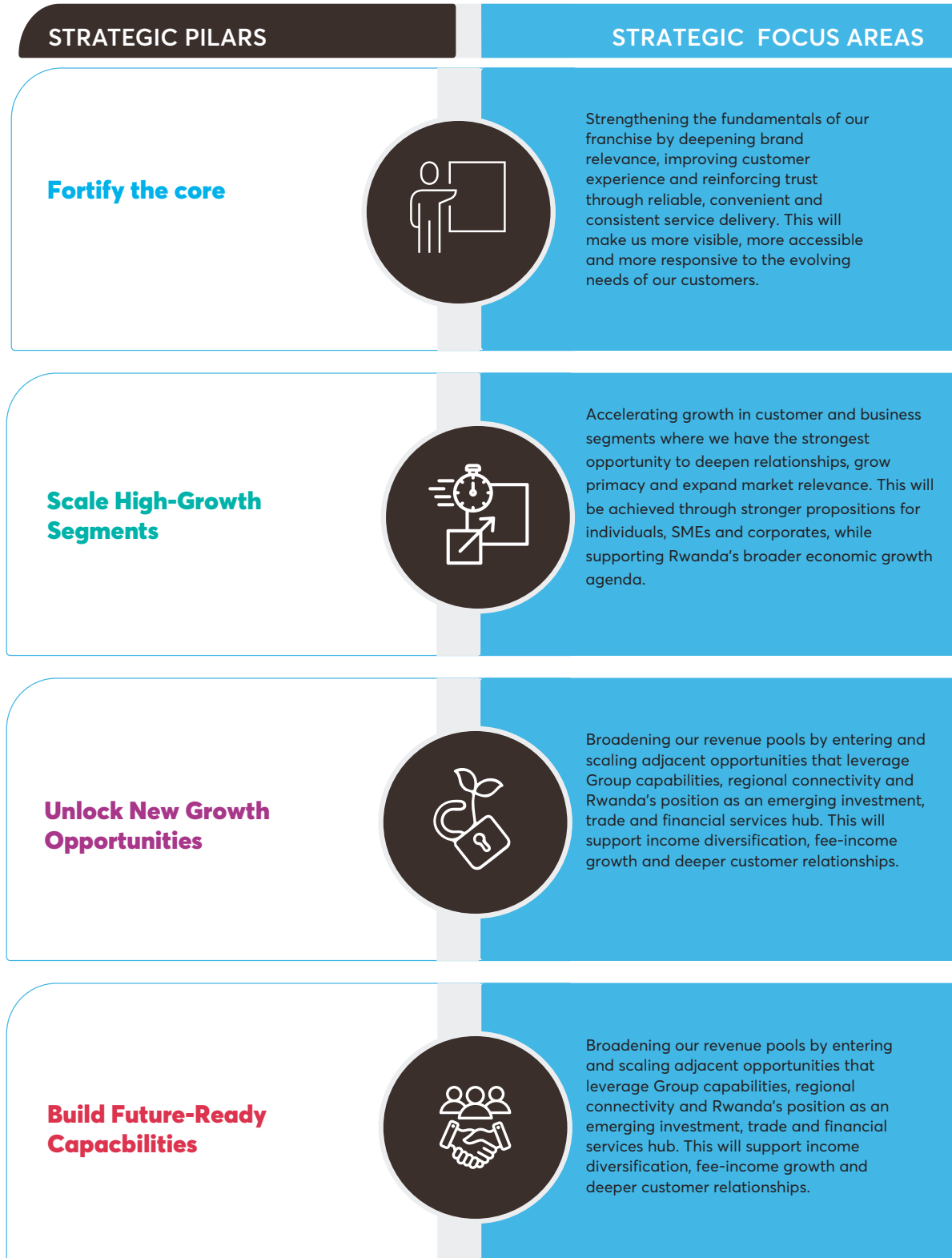


SAFETY

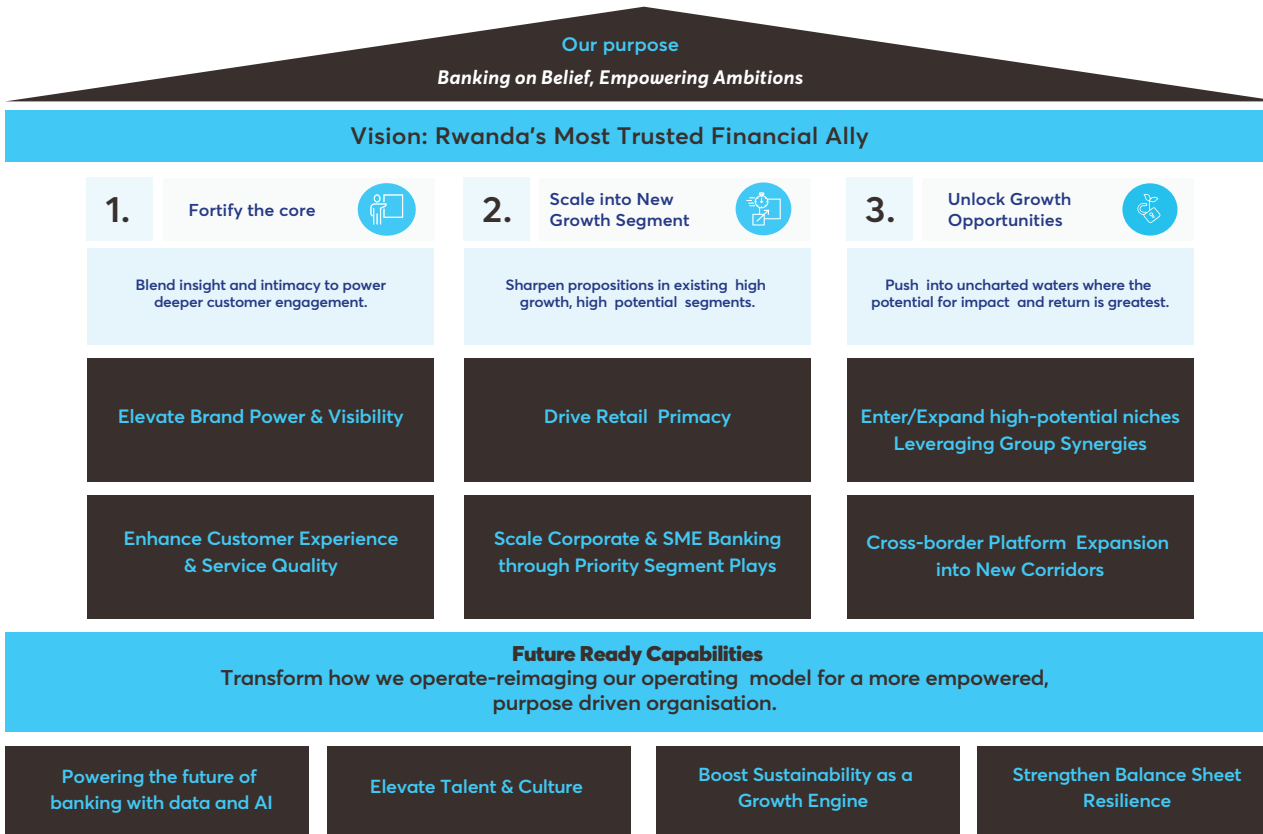
We foster secure and supportive environments that give our customers and our people the confidence to pursue their goals without fear.

As NCBA Bank Rwanda enters its next strategic cycle, the Bank's 2026–2030 agenda is anchored on four strategic pillars: Fortify the Core, Scale High-Growth Segments, Unlock New Growth Opportunities and Build Future-Ready Capabilities. Together, these pillars provide a clear roadmap for strengthening the franchise, deepening customer primacy, expanding into priority growth pools and building the capabilities required to deliver resilient, responsible and sustainable growth. The strategy is designed to sharpen the Bank's market relevance while reinforcing the foundations needed to create long-term value for customers, shareholders, employees, regulators and the communities we serve.

KEY INITIATIVES



NCBA RWANDA STRATEGY HOUSE 2026-2030



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Bika! Unguka! Igurize!

Save or borrow with MoKash

Dial *182*5*1#

Terms and Conditions Apply

MoMo from MTN | NCBA

2026 Strategic Focus

Year 1 of NCBA Bank Rwanda's strategy execution will focus on laying the foundations for disciplined growth, stronger customer relevance and improved execution capacity. The Bank will prioritize initiatives that strengthen its core franchise, accelerate growth in high-potential segments, unlock new revenue opportunities and embed the Ubuntu spirit as the cultural foundation for delivery.

A key priority will be to scale high-growth segments by sharpening our propositions for SMEs, retail customers and priority sectors. We will focus on simplifying customer journeys, improving access to relevant financial solutions and deepening relationships with individuals, businesses and institutions. This will support growth in customer numbers, deposits, lending and overall customer engagement.

We will also fortify the core of the business by strengthening the operating disciplines that support sustainable performance. This includes enhancing our risk management approach, improving service standards, digitizing key customer journeys and modernizing platforms that support resilience, product agility and a better customer experience. These initiatives will help the Bank deliver more consistent, reliable and convenient service across its network and digital channels.

In parallel, the Bank will begin unlocking new growth horizons by leveraging NCBA Group capabilities and partnerships to broaden its sources of income. This will include expanding digital banking and exploring growth areas that enhance customer convenience and deepen our role in the financial ecosystem.

To support delivery, we will embed the Ubuntu spirit across the organisation as a key enabler of performance. This will involve strengthening employee engagement, building leadership capability, reinforcing a unified NCBA brand narrative and driving productivity across the enterprise. We will also continue to uphold strong risk and compliance discipline to protect the franchise and support long-term value creation.

Overall, Year 1 will be about building execution momentum. The focus will be on translating strategy into practical initiatives, aligning teams around common priorities and creating the operating rhythm required to deliver sustainable growth for our customers, shareholders, employees, regulators and communities.



KPI Performance Trend

Income Statement (Amount in Rwf 'Bn)					
Financial KPIs	2021	2022	2023	2024	2025
Income Statement (Amount in Rwf 'Bn)					
Net Interest Income	6.4	12.2	19.2	22.8	24.2
Non-Funded Income	1.7	2.5	3.5	3.9	3.1
Total Income	8.1	14.8	22.7	26.6	27.3
Credit Impairment charges	(2.4)	(1.6)	(3.4)	(4.7)	1.8
Net Operating Income	5.7	13.2	19.3	22.0	29.2
Operating Expenses	(5.5)	(8.4)	(10.7)	(14.6)	(16.9)
Profit Before Tax	0.2	4.9	8.6	7.3	12.3
Balance Sheet (Amount in Rwf 'Bn)					
Total Assets	98.2	150.2	204.8	227.2	298.6
Loans and Advances to customers	52.1	86.8	103.4	94.7	126.8
Customer Deposits	77.7	102.3	153.0	164.4	183.5
Total Equity	17.3	24.7	30.6	35.8	44.3
Solvency & liquidity indicators					
Tier I CAR	26.20%	17.60%	17.80%	20.50%	24.40%
Tier II CAR	27.40%	18.90%	18.80%	21.30%	25.60%
Risk weighted Assets (Rwf Bn)	63.57	132.37	162.22	169.65	173.038
Efficiency, Credit Quality & Profitability					
Non-performing loans ratio	1.20%	2.30%	8.30%	3.10%	2.40%
Liquidity Coverage Ratio	270.00%	270.00%	278.00%	285.00%	171.00%
Cost/Income Ratio	67.30%	56.50%	47.00%	54.90%	61.91%
Return on Assets	0.50%	2.30%	3.00%	2.30%	2.84%
Return on Equity	2.90%	14.20%	19.00%	14.50%	19.15%

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People Management

We are an employer of choice, anchored on a high-performance culture driven by talent, agility, and continuous development.

Our people strategy in 2025 is focused on four strategic pillars:



Capacity Building



Performance Management



Competitive Rewards & Recognition



Employee Experience & Wellbeing

These pillars have collectively strengthened organizational resilience and reinforced our ability to deliver sustainable business outcomes.





MR. ERIC MUGANGA SEMUZIMA

HEAD OF HUMAN RESOURCE

To further strengthen workforce capability, NCBA Bank Rwanda continued to expand its learning and development ecosystem through strategic investments in technical, digital, and leadership skills. These interventions were designed to enhance employee capability, support career progression, and position the workforce to respond effectively to future opportunities and challenges.

Key learning and development initiatives included:



Professional Certifications

Credit Analysis, Human Resource Business Partner (HRBP), and CPA certifications to strengthen technical and professional expertise.



Rwanda Academy of Finance

29 staff
successfully completed RAF programs, strengthening expertise



AWS Digital Training

40 staff
trained in cloud computing and digital banking capabilities



Mandatory Training

All staff
completed AML/CFT, First Aid, and Fire Safety training



E-learning Adoption

85%
staff participation in digital learning platforms.



Leadership Development

Introduction of the **Emerging Leaders Program** to prepare middle managers for senior leadership roles.

These investments resulted in an average of 84.18 learning hours per employee, significantly exceeding the Bank's annual target of 50 hours



Capacity Building



Workforce demographics:

The Bank continues to benefit from a young, dynamic, and highly adaptable workforce, fostering innovation and responsiveness to change. This demographic profile strengthens the Bank's talent pipeline, supporting succession planning, capacity building, and long-term organisational resilience.



Graduate Trainee Program:

The Bank successfully deployed its first cohort of 10 Graduate Trainees, drawn from top universities. The 12-month structured rotational program is designed to build future leaders through cross-functional exposure and practical banking experience. A refreshed programme and subsequent cohort are currently underway, strengthening the Bank's long-term leadership pipeline.

Competitive rewards and recognition

The Bank continued to strengthen its Total Rewards Strategy to attract, retain, and motivate high-performing talent.

Key achievements include:

- **Integration of performance-linked** rewards and recognition frameworks, reinforcing a culture of accountability and excellence.
- **Internal mobility remained strong** with 20 employees earning promotions.
- **Improved staff benefits:** enhanced employee loans, and new monetary and non-monetary benefits.

These outcomes demonstrate the Bank's commitment to rewarding performance and enabling career growth.

Employee Experience & Wellbeing

The Bank strengthened its focus on employee engagement, wellbeing, and workplace experience through structured and inclusive initiatives.



Leadership Communication and Engagement:

Engagement: Regular communication, including messages from senior leadership during key milestones and quarterly town halls, strengthened transparency, employee engagement, and organisational alignment.



Team Building Activities:

Team retreats and bonding initiatives fostered stronger collaboration, communication, and employee morale across the organisation.



Interbank Sports Competition:

The Bank actively participated in interbank sports competitions, including football, swimming, and basketball, promoting employee wellbeing, teamwork, and camaraderie



Employee Feedback & Recognition:

Regular employee surveys and feedback channels supported continuous improvement, strengthened employee voice, and reinforced a culture of recognition and responsiveness.



Cross-Functional Collaboration Events:

Cross-departmental initiatives encouraged innovation, knowledge sharing, and stronger teamwork across business functions.

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EMPLOYEE WELL-BEING PROGRAMS

We care for our people's well-being, mind, body, and family.



Employee Assistance and Mental Health Program

Confidential counselling, workshops, and resources help employees manage mental health, reflecting our holistic well-being approach.



Staff Health Checks

Proactive Health assessments promote preventive care and healthier lifestyles.

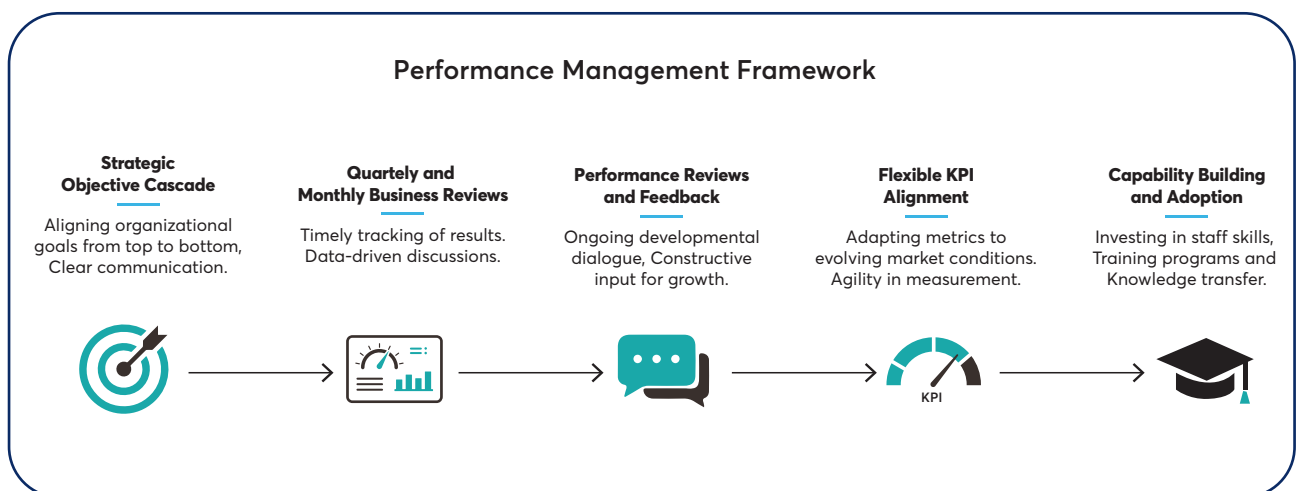


Mother's Room Initiative

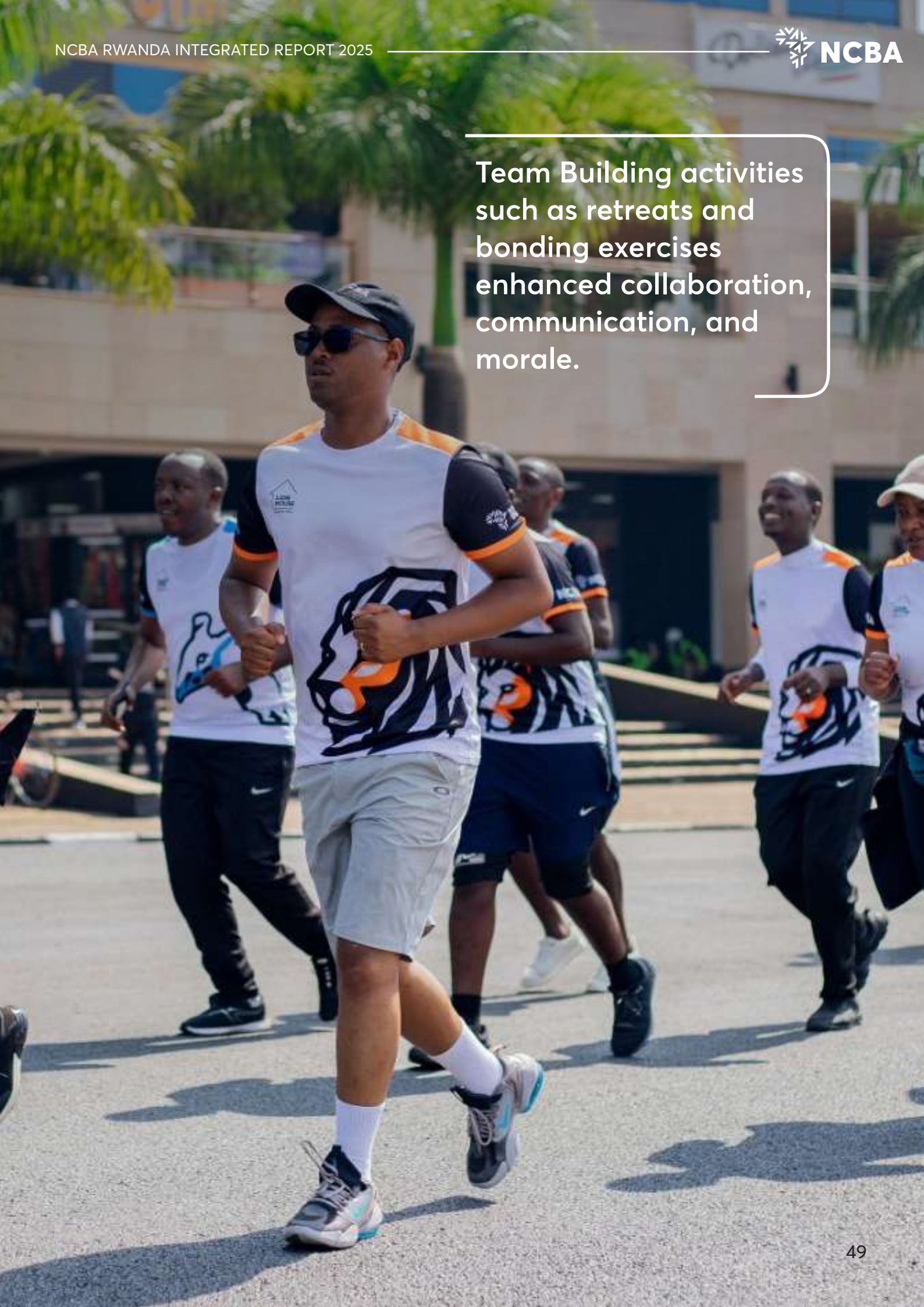
Established comfortable and private nursing spaces at the Head Office and branches, supporting working mothers.

The Bank's SMART performance management framework, fully digitised through SAP, remains a key enabler of accountability, strategic alignment, and performance excellence across the organisation. Beyond systems and scorecards, the framework supports the clear communication and cascading of strategic priorities, ensuring alignment between organisational objectives, departmental goals, and individual performance.

Key features of the framework include:



Team Building activities such as retreats and bonding exercises enhanced collaboration, communication, and morale.



MARKETING, COMMUNICATIONS AND CITIZENSHIP

Building
Relationships.
Creating Shared Value.

Marketing, Communications and Citizenship

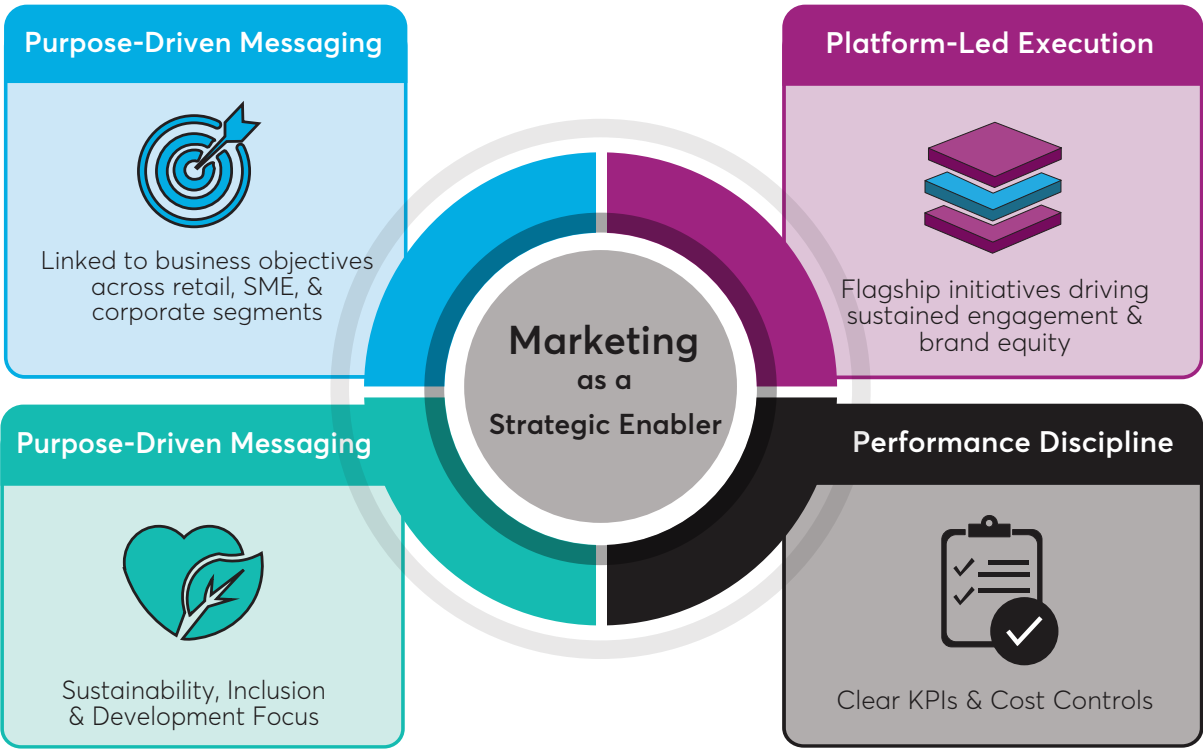
In 2025, NCBA Bank Rwanda strengthened its marketing, communications, and citizenship agenda, positioning these functions as strategic enablers of growth, trust, and long-term value creation. Focus shifted beyond visibility to deepening customer relevance, strengthening brand credibility, and aligning engagement with business priorities and national development ambitions.

Throughout the year, the Bank strengthened its brand through targeted platforms, strategic partnerships, thought leadership, and purpose-driven initiatives in citizenship, financial inclusion, youth empowerment, education, and sport. These efforts reinforced NCBA Rwanda’s position as a trusted partner while creating measurable value for customers, communities, and the business.

Supported by disciplined execution, strong governance, and cross-functional collaboration, marketing performance remained aligned to strategic objectives and prudent financial management. By year-end, NCBA Rwanda had further strengthened its brand platform and market positioning, providing a strong foundation for continued growth and impact.

How Marketing Functions as a Growth Engine in 2025

From visibility to value through alignment, platforms, purpose, and discipline



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Marketing as a Strategic Growth Engine

In 2025, marketing continued to strengthen its role as a key enabler of business growth, supporting market expansion, customer acquisition, and deeper engagement across priority segments. Marketing execution became increasingly focused and data-informed, with campaigns designed to support clear business objectives and deliver measurable outcomes.

This shift was particularly evident in market expansion initiatives, where marketing played an important role in building awareness, driving engagement, and supporting customer acquisition in new markets.

The launch of the NCBA Rubavu Branch provided a strong example of this approach. Between 18th and 27th June 2025, the Marketing Department executed a focused multi-channel market activation campaign aimed at building local awareness, attracting new customers, and increasing visibility of NCBA's products and services across key customer segments.

The Rubavu branch launch demonstrated marketing's growing contribution beyond communications, reinforcing its role in supporting business expansion, strengthening market entry, and delivering measurable commercial value.



Launch of the Rubavu Branch

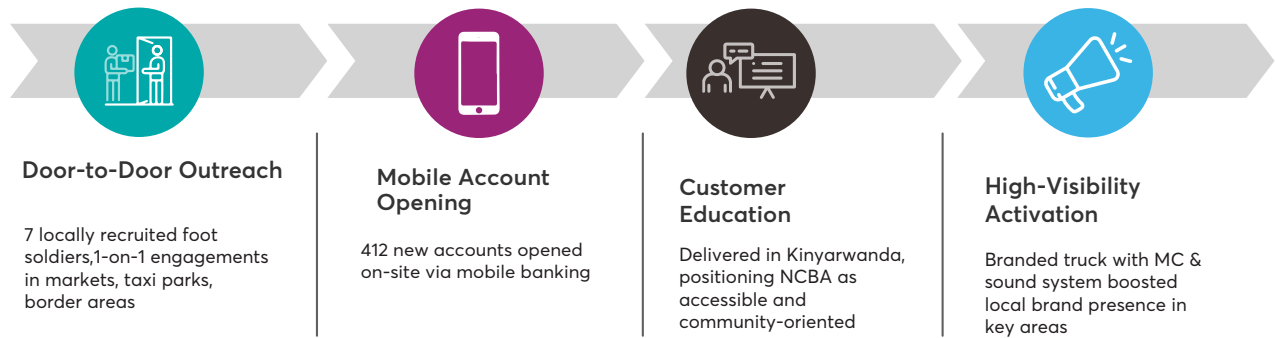


Example in Practice: Rubavu Branch Launch and Market Activation



How Marketing Drove Business Outcomes During the Rubavu Branch Launch

The Rubavu activation integrated several high-impact elements:



As a result, the activation reached approximately 6,000 residents over eight days — creating both immediate awareness and meaningful engagement. Over 400 accounts were opened and funded within the activation window.

Beyond awareness and acquisition, the Rubavu activation also committed to strategic insight generation in 2025. A structured survey was conducted in Rubavu to identify critical market intelligence in the new market.

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Market Insights from the Rubavu Survey



50% of local market identified as cross-border traders operating between Rwanda & DRC



Strong demand for fast, mobile-accessible banking and low-barrier onboarding



Farmers expressed need for seasonal liquidity and bank-to-wallet solutions



Students showed preference for digital-first, flexible accounts



Only 6% of respondents were unbanked, indicating a competitive but penetrable market

These insights directly informed product positioning for the Rubavu catchment area, prioritisation of digital onboarding and mobile banking experiences, and future activation strategies. Customers encountered a consistent brand promise across billboards, branch environments, and on-the-ground engagement — reinforcing confidence and repositioning NCBA Rwanda in the newly entered market as both established and approachable.

In 2026, this model is being scaled as a replicable framework for Kayonza, Nyagatare, and selected Kigali branches, as part of a year-round branch performance strategy.

Flagship narratives that shaped the year

In 2025, NCBA Bank Rwanda's story was shaped not by isolated campaigns or standalone initiatives, but by a series of interconnected flagship narratives that consistently defined how the Bank showed up across markets, partnerships, customer engagements, and communities.

“

Consistency helped reposition NCBA Rwanda in newly entered markets as both established and approachable — a critical balance for trust-building.

”

Strategic Partnerships and Brand Influence



Together, these narratives reflected a deliberate brand strategy, one focused on strengthening influence, deepening customer relationships, advancing inclusion, and creating long-term social and economic impact. Each engagement, whether in business, community development, sport, education, or industry dialogue, contributed to a broader and more coherent story of growth, relevance, and purpose.

Rather than existing as disconnected moments, these initiatives reinforced one another, enabling stakeholders to experience a clear and consistent brand identity. They demonstrated how NCBA Rwanda continued to position itself not only as a financial institution, but as a trusted partner in business growth, community transformation, and national development.

In 2025, NCBA Rwanda prioritised partnerships that extended beyond visibility to deliver strategic relevance, strengthen stakeholder relationships, and support national priorities.

A key platform was the NCBA Rwanda Golf Series, structured as a year-long engagement programme that created meaningful interaction with corporate leaders, professionals, regional stakeholders, and emerging talent. The series comprised 2 tournaments and engaged over 50 players (12% women / 88% men), reinforcing the Bank’s positioning among premium and professional audiences while promoting values of discipline, excellence, and long-term commitment.

The Bank also strengthened its sustainability positioning through a landmark partnership with the Green City Kigali initiative, signed on World Environment Day 2025. The collaboration aligned NCBA Rwanda with Rwanda’s long-term ambitions for environmentally responsible housing and infrastructure, reinforcing relevance among investors, developers, and environmentally conscious customers.

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Inclusion and Community Empowerment

NCBA Bank Rwanda continued to advance inclusion through initiatives focused on gender equity, education, health, and support for vulnerable communities.

During Women's Month, the Bank adopted the Group-wide theme #AccelerateAction, using internal engagement and digital platforms to reinforce women's economic empowerment as a strategic priority.

In partnership with Kosmotive, the Bank addressed period poverty by donating 200 packages of reusable sanitary pads to schoolgirls in Musanze, helping girls remain in school with dignity and confidence.

Support for inclusive education was further demonstrated through a contribution of RWF 10 million to the Shenge Project, a specialised learning and therapy centre for children with disabilities in Burera District.



NCBA is proud to have been part of the 26th Presidential Installation of the Rotary Club of Kigali

Strengthening Customer Relationships and Experience



In 2025, NCBA Rwanda strengthened customer relationships and enhanced customer experience through deliberate engagement, service excellence, and solutions designed to meet evolving customer needs.

A key focus was deepening relationships through direct engagement and meaningful dialogue. Leadership-led customer visits, including engagements with businesses in Musanze such as Haki Construction Limited and Gorilla Textiles, provided valuable opportunities to better understand sector-specific challenges, business priorities, and growth ambitions. These interactions strengthened partnerships while enabling the Bank to deliver more relevant financial support.

This customer-centric approach was further reinforced through initiatives aimed at enhancing service delivery and responsiveness. During Customer Service Week, retail teams engaged directly with customers to celebrate partnerships, gather feedback, and strengthen trust. These engagements reinforced a culture of listening, responsiveness, and continuous improvement across the Bank.



At the same time, NCBA continued to expand its value proposition by offering tailored financial solutions aligned to customer needs. A premium customer engagement event brought together leadership, clients, and partners to showcase solutions such as NCBA Bancassurance, Insurance Premium Financing, and Business Term Loans, highlighting the Bank's commitment to supporting both personal and business growth.

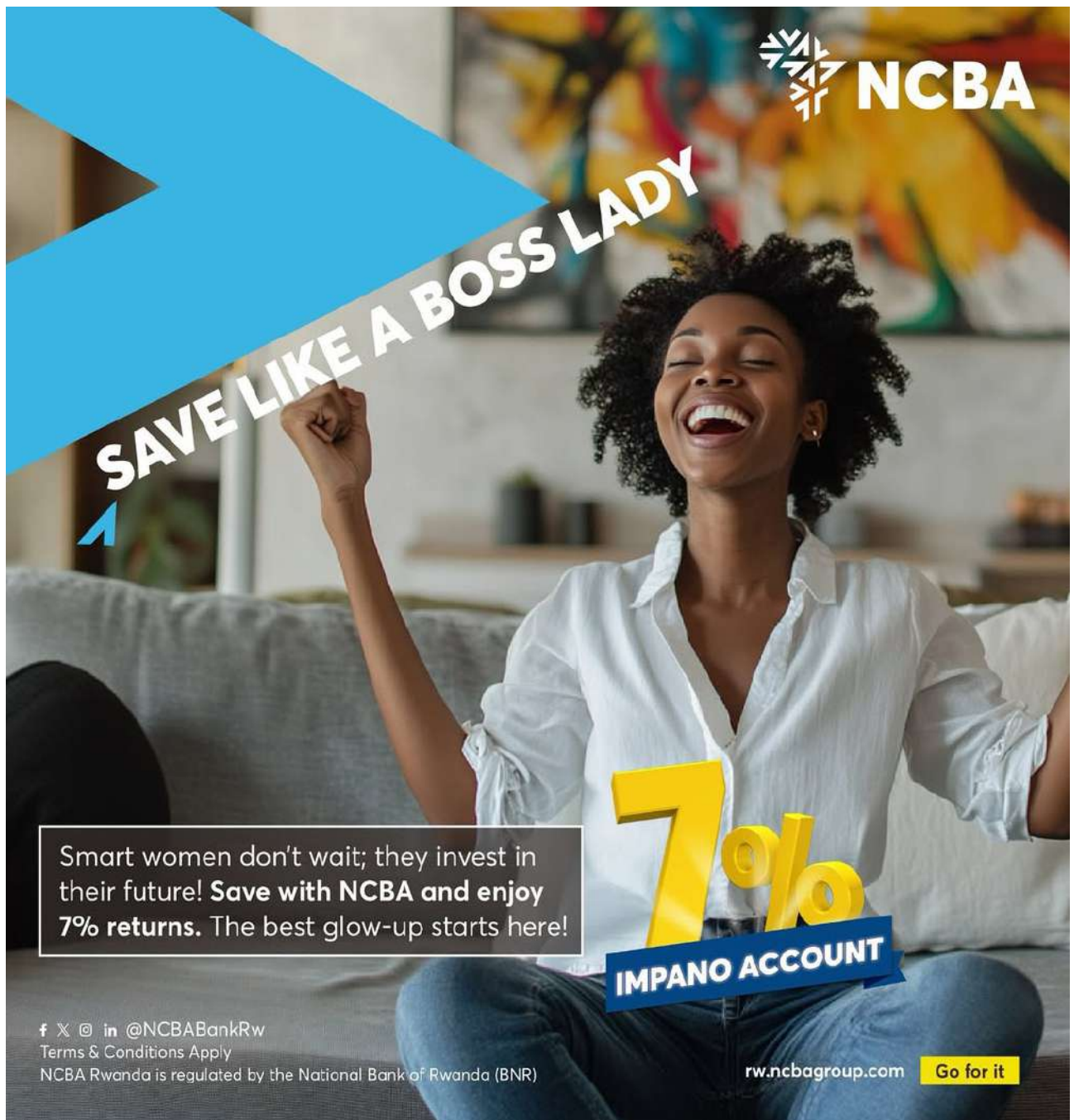
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Product innovation also played an important role in improving accessibility and financial inclusion. The launch of the Impano Savings Account, offering a competitive 7% interest rate, encouraged disciplined savings and group-based financial planning, while the NCBA Zero Fees proposition reduced cost barriers to everyday banking and improved accessibility for a wider customer base.



A black and white photograph of a golfer in mid-swing. The golfer is wearing a white polo shirt, light-colored trousers, a white cap with the NCBA logo, and a wristwatch. The background is a blurred residential area with houses and trees.

SPORTS: As a platform for deep community impact

Sport remained a strategic platform through which NCBA Bank Rwanda advanced community engagement, youth development, relationship building, and social impact.

A cornerstone of this approach was the partnership with Kigali Golf Resort and Villas, which combined sport development with community empowerment and environmental stewardship. Through this partnership, NCBA supported health insurance access and tree-planting initiatives for 3,000 residents, contributing to both community wellbeing and the Bank's broader sustainability ambitions.

Youth development remained central to this strategy. The launch of Rwanda's first corporate-backed Junior Golf Series created structured opportunities for young players to develop discipline, confidence, and talent, engaging

80 young golfers and reinforcing NCBA's commitment to nurturing the next generation.

Sport also continued to serve as a platform for social cohesion and meaningful community engagement. For the second consecutive year, NCBA Rwanda sponsored the Genocide Memorial Tennis Tournament, reinforcing the role of sport in promoting unity, healing, and support for vulnerable communities.

Together, these initiatives demonstrate how NCBA Rwanda is using sport beyond sponsorship, as a deliberate platform to strengthen communities, create meaningful connections, and deliver long-term social and environmental impact.

Education and Youth Development

10



Scholarships funded for vulnerable children in Musanze

120



Students at Pan African Economic Olympiad

5-Day



Financial literacy programme at Dreamer's Academy



In 2025, NCBA Rwanda continued to invest in education and youth development as a catalyst for long-term socio-economic progress, focusing on expanding access to education, building critical life skills, and empowering future leaders.

A key priority was supporting access to education for vulnerable learners. Through a partnership with Transformational Ministries, the Bank funded 10 scholarships for children facing socio-economic challenges in Musanze, helping ensure continuity in their education and creating opportunities for long-term advancement.

Beyond improving access, NCBA also invested in equipping young people with practical skills for future success. Through support for the Dreamer's Academy Camp, NCBA staff delivered a five-day financial literacy programme to 100 high school students under the NCBA Group's Change the Story Initiative. The programme strengthened financial awareness and provided students

with practical knowledge to support informed decision-making.

NCBA's commitment to youth development also extended to advancing academic excellence and regional collaboration. Support for the Pan African Economic Olympiad at the University of Kigali brought together 120 students from Rwanda, Kenya, and Nigeria, fostering intellectual exchange, leadership development, and cross-border learning among emerging young leaders.

Thought Leadership and Strategic Engagement



NCBA Bank Rwanda continued to strengthen its presence in platforms shaping the future of finance, business, and economic development, reflecting its commitment not only to participate in industry conversations, but to help shape them.

A key example was participation in the Inclusive Fintech Forum, which brought together over 3,000 fintech leaders, investors, and innovators to advance financial inclusion through technology. Managing Director Maurice Toroitich and Head of Digital Business Roselyn Munyana represented the Bank in discussions on innovation, digital transformation, and financial inclusion, reinforcing NCBA's strategic journey toward becoming a digital-first institution.

The Bank further strengthened its visibility and influence through sponsorship and participation in strategic platforms, including the Annual Tax Convention (ICPAR), the CFO Forum, the 28th ASEA Annual Conference, and the Rwanda Convention in Dallas, USA. These engagements positioned NCBA within critical conversations around regulatory evolution, capital markets, leadership, innovation, and sustainable growth.

Through these engagements, NCBA Rwanda reinforced its position as a trusted financial partner and strategic thought leader, contributing meaningfully to conversations shaping the future of business, finance, and inclusive economic development.



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NCBA MD Maurice Toroitich spoke at the IDF Regional Dairy Conference on the critical role of financing in empowering farmers, youth, and women across the continent's dairy value chain



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Go for it

Risk Management





PAULIN KADAHIZI

HEAD OF ENTERPRISE RISK MANAGEMENT
AND COMPLIANCE

The Bank continues to foster a strong and resilient risk culture that supports effective decision-making, safeguards stakeholder interests, and enables long-term, sustainable growth.

Chief Risk Officer's Statement

Effective risk management is a core pillar of NCBA Rwanda's strategy and a key enabler of sustainable growth, financial resilience and shareholder value protection. In 2025, the Bank operated in a complex and evolving environment characterised by heightened regulatory scrutiny, macroeconomic uncertainty, rapid digitalisation and rising stakeholder expectations. Against this backdrop, our enterprise wide risk management framework remained focused on proactively identifying, assessing and managing both financial and non financial risks, while safeguarding the Bank's capital strength, earnings stability, and long term value creation.

The Board of Directors, supported by the Board Risk Management Committee (BRMC), continued to provide strong oversight through the approval of the Bank's risk appetite and ongoing monitoring of the risk profile. Management, through the Enterprise Risk Management and Compliance (ERM&C) function, further strengthened the integration of risk considerations into strategic decision making, capital and liquidity planning, operational resilience and conduct outcomes. This disciplined approach ensures that risk taking remains aligned with the Bank's strategic objectives and is undertaken within clearly defined risk appetite limits, thereby protecting the interests of shareholders, customers and other stakeholders.

Looking ahead, our priorities remain focused on reinforcing a strong risk culture, enhancing data and analytics capabilities, and continuing to embed risk management into day to day business decisions.

By maintaining a prudent and forward looking risk management approach, we are confident in the Bank's ability to navigate uncertainty, seize opportunities responsibly, and continue delivering sustainable returns and long term value for our shareholders.

Enterprise Risk Overview

NCBA Rwanda operates within a comprehensive enterprise wide risk management framework that integrates financial and non financial risks across all business activities and is continually enhanced to reflect changes in the operating environment, regulatory expectations and emerging risks.

This section provides a high level snapshot of the Bank's risk profile and management approach, covering risk governance and culture, the risk appetite framework, principal risks and uncertainties, capital and liquidity adequacy (ICAAP and ILAAP), stress testing, operational resilience, technology and cyber risk, financial crime, conduct and customer outcomes, third party risk, people, and ESG related risks, including climate risk.

Together, these components illustrate how risk considerations are embedded into strategy, decision making, capital allocation and performance management, ensuring that the Bank remains resilient and well positioned in a dynamic risk landscape.

Risk Management Framework

NCBA Bank Rwanda operates an enterprise wide risk management framework that supports the achievement of its strategic objectives while safeguarding financial soundness, reputation and stakeholder value. The framework provides a structured approach for identifying, assessing, managing, monitoring and reporting both financial and non financial risks arising from internal and external sources. It is regularly reviewed to reflect changes in the operating environment, emerging risks, regulatory expectations and leading practices.

Risk Governance and Oversight

The Board of Directors has ultimate accountability for risk governance, including approving the risk appetite and overseeing the Bank's overall risk profile. Oversight responsibilities are delegated to the Board Risk Management Committee (BRMC), which receives regular risk reporting from Management and the Enterprise

Risk Management & Compliance (ERM&C) function. Senior Management is responsible for implementing the framework, maintaining an effective control environment and ensuring timely escalation of material risk issues.

Risk oversight is embedded through a structured committee framework, including management committees such as ALCO and Management Risk Committees, which monitor risk exposures and recommend actions within delegated authority.

The Bank has adopted a centralized control structure, driven by the Enterprise Risk and Compliance (ERM) Function, to manage all its key risks to facilitate a holistic view of risk and improve the reporting and monitoring process. The ERM function, which is a second line of defence, reports directly to the Board of Directors through the Board Risk Management Committee (BRMC) to ensure independence. Senior Management receive regular briefings on the Bank's risk profile, directly, from the ERM function. The ERM function oversees all activities related to risk management within the Bank.

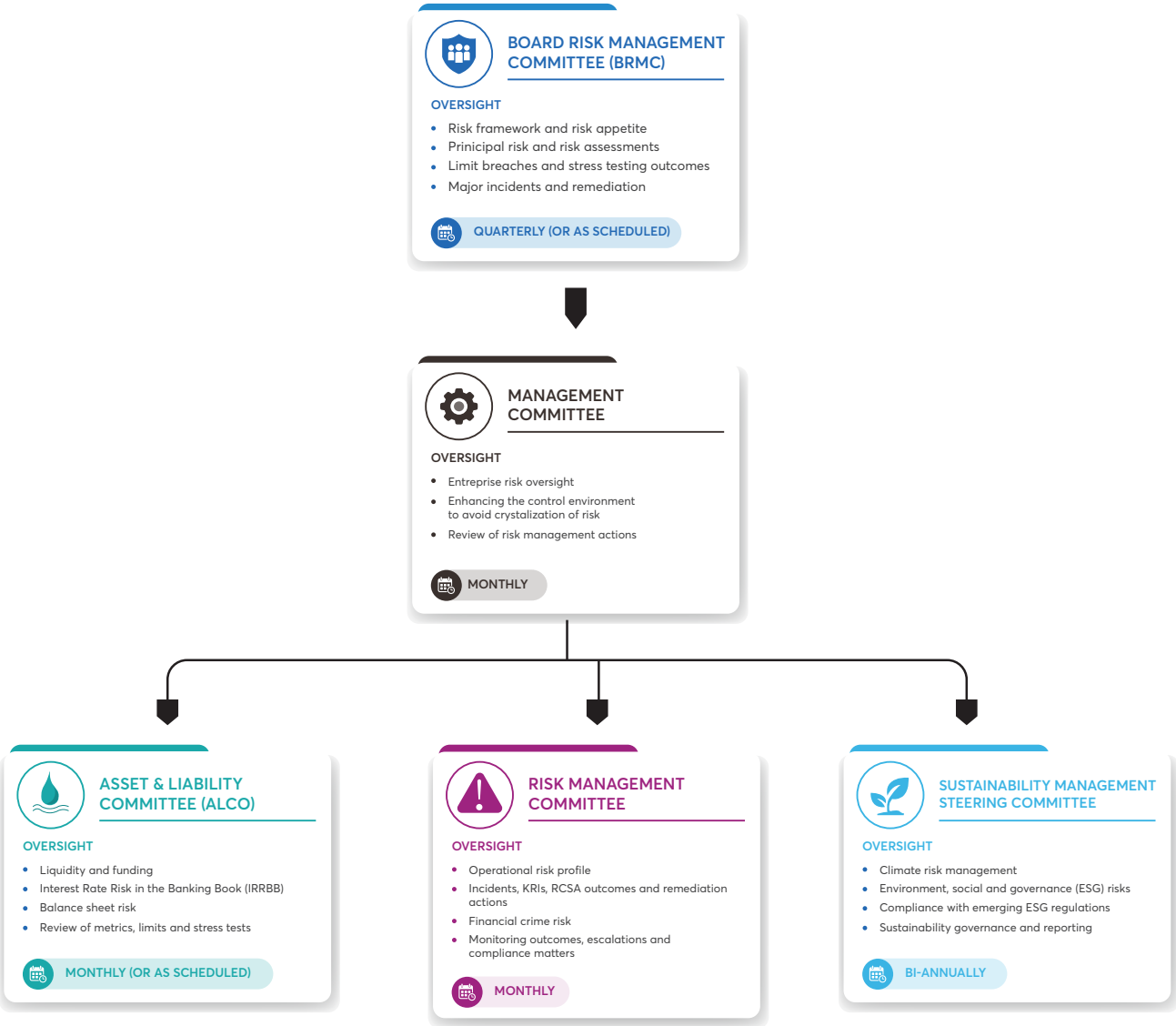


Risk Committees and reporting cadence

The Risk Management Committee and related management level committees provide day to day oversight of the Bank’s risk profile across all material risk types, including credit, operational, market, compliance, conduct, sustainability and emerging risks. These committees are responsible for reviewing risk assessments, monitoring risk indicators, approving procedural risk controls within delegated authority, and ensuring timely escalation of material issues to the Board through the Board Risk Management Committee (BRMC). Management committees form a critical link between risk strategy and operational execution.

MANAGEMENT RISK
GOVERNANCE STRUCTURE

Structured oversight committees support the Bank’s risk governance framework through regular review, challenge and monitoring of key risk exposures.



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Three Lines of Defence

The Bank applies the Three Lines of Defence model to clarify accountability and strengthen risk management.

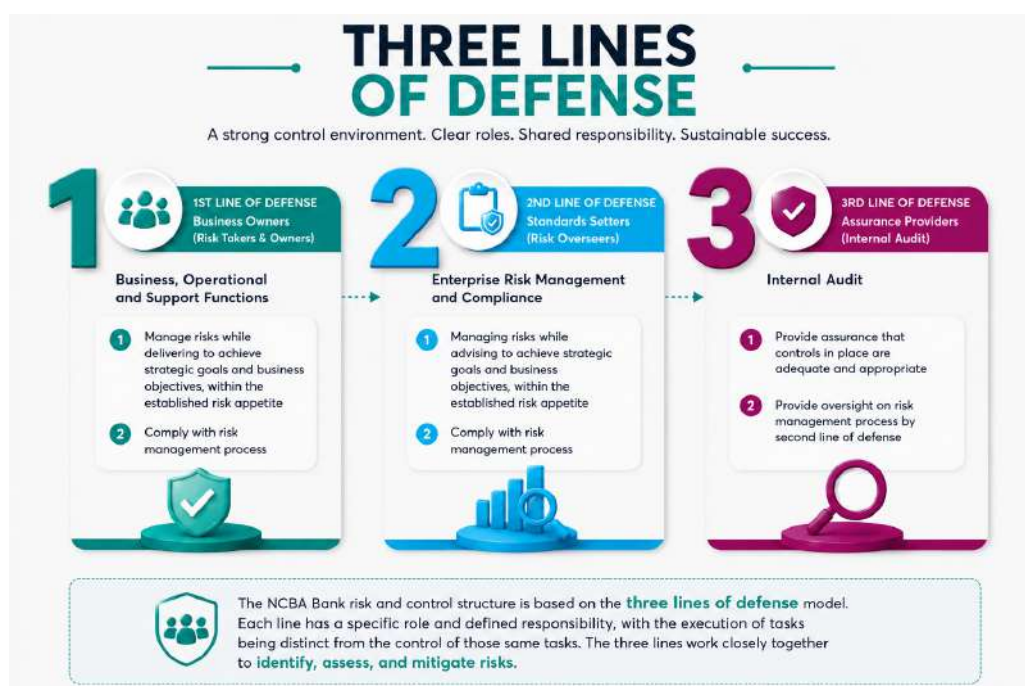
The first line of defence comprises business units and support functions, responsible for the day-to-day management of risks arising from their activities. They own the risks they generate and are accountable for identifying, assessing, monitoring, and controlling risks within their respective areas, while operating within approved risk appetite limits and established policies and procedures.

The second line of defence is the Enterprise Risk Management and Compliance function, which operates independently from the business. This function provides oversight, guidance, and effective challenge to the first line. It is responsible for developing and maintaining risk

management frameworks including the Risk and Control Self-Assessment (RCSA) register, policies, methodologies, and tools. It also monitors the Bank's overall risk profile and ensures that risk exposures remain within approved limits. Critically, it promotes a strong risk culture across the Bank through continuous awareness and training initiatives.

The third line of defence is the Internal Audit function which provides independent assurance to the Board of Directors on the adequacy and effectiveness of the Bank's internal controls, governance, and risk management processes. Internal Audit evaluates whether risks are being appropriately managed and controlled and makes recommendations to strengthen the control environment and enhance overall risk management practices.

This structured approach ensures robust risk governance, clear accountability, and effective oversight across the Bank.



Risk appetite and limit framework

The Bank's risk appetite defines the level and types of risks it is prepared to accept in pursuing its strategy, while remaining within regulatory confines. It guides strategic and business decisions, supports capital and liquidity planning, and sets clear boundaries for risk taking.

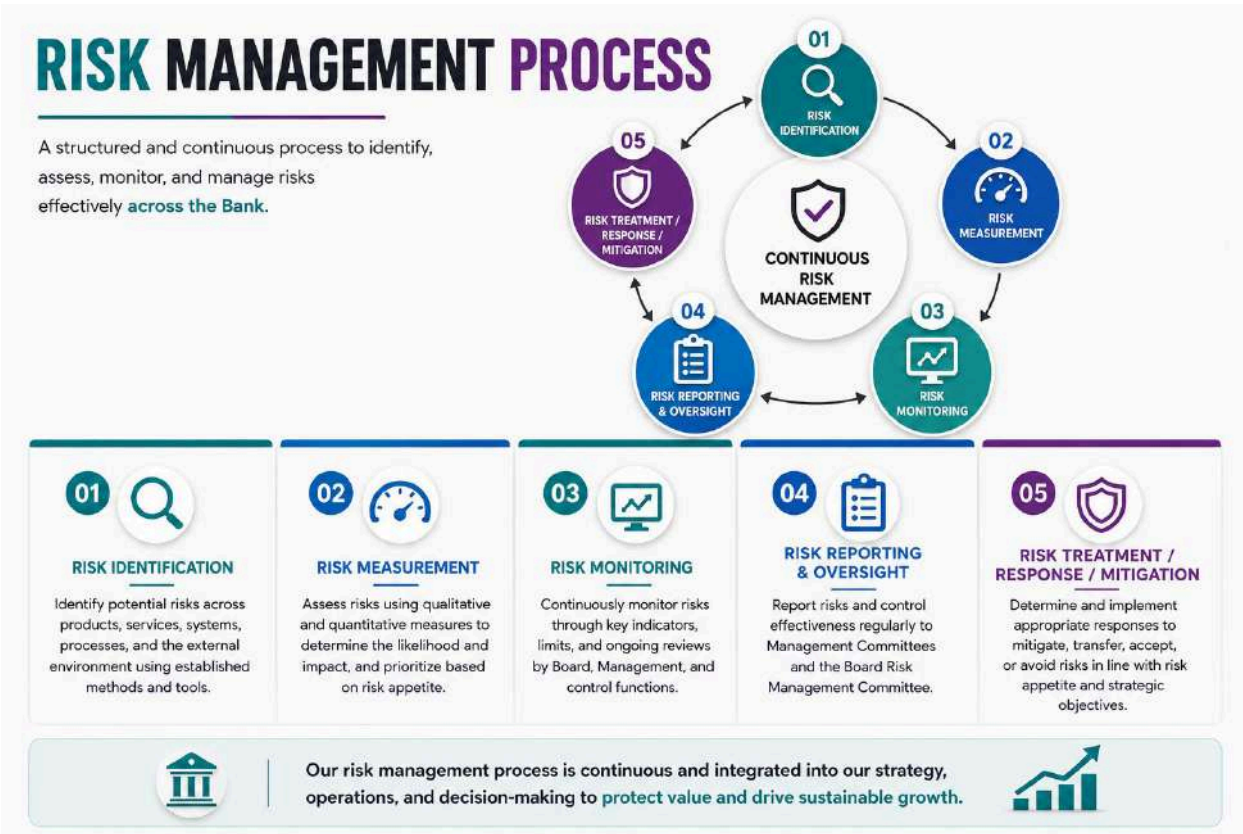
The Board reviews and approves the risk appetite at least annually. Performance against approved limits is monitored regularly by Management and BRMC, taking into account loss events, limit breaches, portfolio trends, stress testing results and emerging risks.

Risk appetite is articulated through a combination of quantitative limits, qualitative statements and escalation triggers. Certain areas, including regulatory non compliance, financial crimes, material customer harm and human rights abuses are subject to zero or very low tolerance. Breaches are investigated, escalated and addressed through defined management actions and oversight provided by Management Committees and BRMC.

Risk management process

Risk management is based on a structured lifecycle encompassing risk identification, measurement, monitoring, reporting and mitigation. Risks are assessed on an ongoing basis through transaction reviews, monitoring of risk trends, assessment of new products and initiatives, control testing and process reviews. This enables the Bank to proactively manage both current and emerging risks that could impact strategic objectives.

NCBA Bank Rwanda implements the following risk management process:



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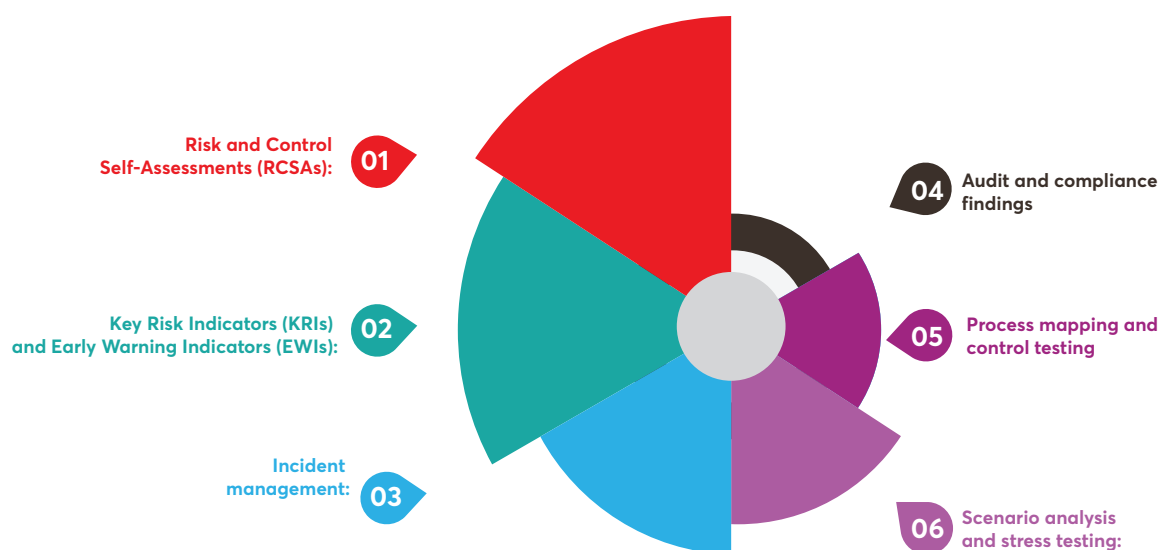
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Risk Management Tools



Risk Management Tools

The following are the key risk management tools that NCBA Bank Rwanda has deployed:

- **Risk and Control Self-Assessments (RCSAs):** identification of key processes, risks, controls and residual risk ratings; action plans tracked to closure.
- **Key Risk Indicators (KRIs) and Early Warning Indicators (EWIs):** thresholds linked to escalation and management actions.
- **Incident management:** internal and external loss data collection, root cause analysis and lessons learned.
- **Audit and compliance findings:** issues logged, rated, actioned and validated for closure.
- **Process mapping and control testing:** identification of control design and operating effectiveness gaps.
- **Scenario analysis and stress testing:** forward-looking assessment of adverse conditions and resilience.

The Bank further ensures that there is a continuous training for all staff on the Bank's risk management processes, emerging trends, and regulatory requirements to underwrite a culture of continuous improvement.

Risk culture

- The Bank's risk culture is defined as the set of norms, attitudes, and behaviours related to risk awareness, risk-taking, and risk management that shape how decisions are made across the organisation. It underpins our ability to identify, assess, and manage risks effectively, ensuring that risk considerations are embedded in everyday activities and strategic decision-making.
- An effective risk culture ensures that risks are owned at source, controls applied consistently, and issues identified and escalated in a timely and transparent manner. At the Bank, risk is not viewed solely as a threat, but also as an enabler of sustainable growth, within the boundaries of our defined risk appetite.
- In 2025, the Bank strengthened its risk culture by formalising its enterprise-wide framework, "I AM Risk Culture- Identify, Action and Monitor. This initiative reinforces the principle that every employee is both a risk taker and a risk manager, promoting individual accountability and embedding sound risk management practices into day-to-day operations. The framework is aligned with regulatory expectations and industry best practices and is supported by a structured diagnostic approach used to assess behaviours,

risk awareness, and the overall effectiveness of risk management across the organisation.

- Our risk culture is underpinned by a strong tone-from-the-top, supported by clear governance structures and well-defined roles and responsibilities. Risk ownership is embedded within job descriptions and performance objectives, ensuring that all employees understand their role in identifying and managing risks. Responsible risk-taking is further reinforced through performance management processes, which link risk behaviours and outcomes to individual and business performance.
- The Bank promotes a culture of openness and transparency, supported by established speak-up and escalation mechanisms that enable employees to raise concerns without fear of retaliation. This is complemented by consistent consequence management for policy breaches and control failures, reinforcing discipline and accountability across the organisation.
- To sustain and deepen this culture, the Bank invests in continuous training and awareness programmes, which are mandatory for all employees. These programmes cover key areas including risk management, compliance, anti-money laundering and counter-terrorism financing (AML/CFT), information security, and customer protection. Supported by dedicated learning platforms and tools, these initiatives enhance staff capability and ensure the proactive identification, assessment, and management of risks.
- Through these efforts, the Bank continues to foster a strong and resilient risk culture that supports effective decision-making, safeguards stakeholder interests, and enables long-term, sustainable growth.

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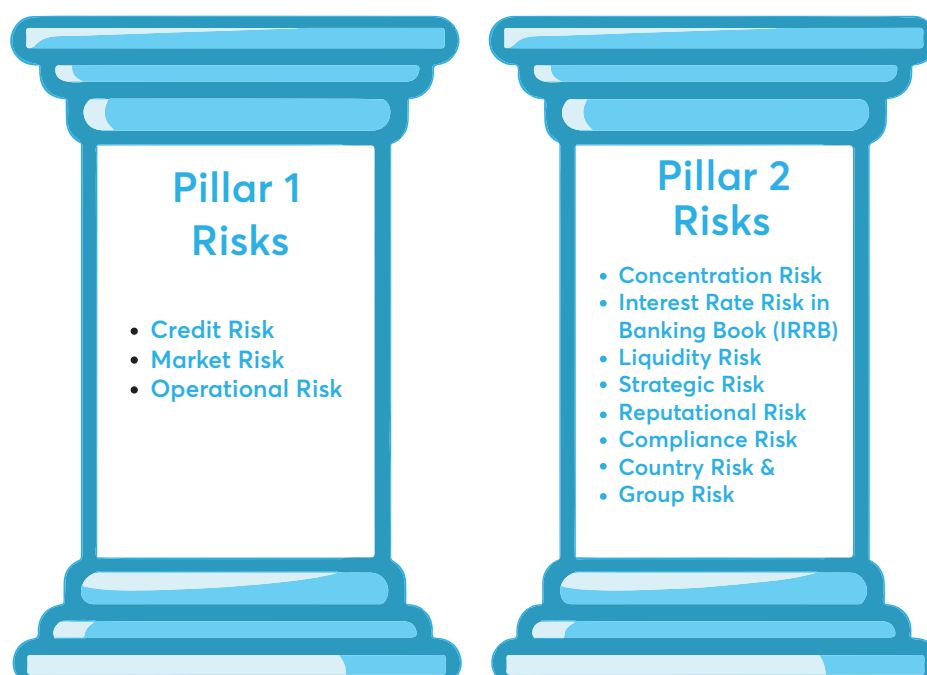
Capital adequacy and ICAAP

The Bank maintains adequate capital levels to support its risk profile, strategic objectives and ongoing business activities. Capital adequacy is managed in line with the National Bank of Rwanda’s prudential guidelines and supplemented by robust internal risk assessments to ensure that capital remains commensurate with the Bank’s evolving risk profile.

The Internal Capital Adequacy Assessment Process (ICAAP) provides a structured, integrated, and forward looking framework for assessing the Bank’s capital requirements under normal and stressed conditions. Under ICAAP, the Bank explicitly considers the full spectrum of Pillar I risks principally: credit risk, market risk and operational risks—measured using regulatory methodologies and minimum capital requirements. In addition, the Bank identifies, assesses and allocates capital to Pillar II risks including concentration risk, interest rate risk in the banking book (IRRBB), liquidity risk, strategic risk, reputational risk, compliance risk and other emerging risks.

Capital planning under ICAAP is forward looking and is closely aligned with the Bank’s strategic and business plans, ensuring that sufficient capital buffers are maintained to absorb unexpected losses while supporting sustainable growth. Regular stress testing and scenario analysis are conducted to evaluate the impact of adverse but plausible events on capital adequacy, inform management actions and validate the continued appropriateness of internal capital buffers.

The Bank closed the year with a strong capital position, with the Capital Adequacy Ratio (CAR) remaining well above the minimum regulatory requirement, as evidenced in the audited financial statements and ICAAP assessment (see section 14.4). This capital headroom provides assurance that the Bank is adequately positioned to absorb potential losses, comply with prudential requirements and support its planned growth trajectory.



Liquidity Adequacy, ILAAP and Recovery & Resilience Planning

The Bank maintains a strong liquidity position to support its business model, meet obligations as they fall due, and withstand both institution specific and market wide liquidity stresses. Liquidity adequacy is managed in line with BNR's regulatory requirements and supplemented by robust internal assessments to ensure that liquidity resources remain commensurate with the Bank's risk profile and strategic ambitions.

The Internal Liquidity Adequacy Assessment Process (ILAAP) provides a structured, forward looking framework for identifying, measuring, managing and monitoring liquidity and funding risks under normal and stressed conditions. Through ILAAP, the Bank assesses the adequacy of its liquidity buffers across multiple time horizons, taking into account funding concentration, maturity mismatches, market access assumptions and behavioural characteristics of assets and liabilities. Key liquidity metrics, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), are monitored regularly against regulatory thresholds and internal risk appetite limits, supported by detailed cash flow projections and stress testing outcomes.

Liquidity planning under ILAAP is closely aligned with the Bank's strategic plan and balance sheet growth assumptions ensuring that funding strategies are sustainable and resilient. Stress testing and scenario analyses are applied to evaluate the Bank's capacity to

withstand idiosyncratic, market wide and combined stress scenarios, and to assess the sufficiency of liquidity buffers and contingency actions under adverse conditions.

In addition, the Bank has established a Recovery and Resilience Framework, which complements the ILAAP by setting out credible recovery options and management actions to be deployed in the event of severe liquidity or capital stress. The recovery framework defines clear early warning indicators, escalation triggers, governance arrangements and recovery measures, including funding actions, balance sheet optimisation and capital preservation initiatives. This framework enhances the Bank's ability to respond in a timely and orderly manner to stress events, while safeguarding critical functions, protecting depositors and maintaining market confidence.

Together, the ILAAP and Recovery and Resilience planning form an integral part of the Bank's overall risk management and prudential governance architecture, reinforcing its ability to remain resilient across the economic cycle and under severe but plausible stress scenarios. Oversight of liquidity adequacy and recovery readiness is exercised by senior management and the Board through regular reporting, review of stress testing outcomes and ongoing refinement of contingency and recovery strategies.

The Bank closed the year with a strong capital position, with the Capital Adequacy Ratio (CAR) remaining well above the minimum regulatory requirement,



The Bank maintained sound liquidity positions throughout the year, supported by a stable and diversified funding base.

Stress Testing Framework

Stress testing is a key risk management tool used by NCBA Bank Rwanda to assess the potential impact of severe but plausible events and adverse movements in key financial and macroeconomic variables on the Bank's financial condition. The Bank conducts rigorous, forward looking stress tests to evaluate vulnerabilities in its business model and to assess the resilience of capital, liquidity and profitability under both institution specific and market wide stress scenarios.

The stress testing framework covers a range of scenarios designed to identify material downside risks, including sharp deterioration in macroeconomic conditions, adverse movements in foreign exchange and interest rates, credit quality shocks and liquidity stress events. Results are assessed against regulatory requirements and internal thresholds to determine the potential impact on the Bank's capital adequacy, earnings' capacity and balance sheet strength.

Stress testing outcomes are actively used by Management and the Board to inform decision making. Where stress results indicate pressure on capital adequacy or profitability, appropriate remedial and mitigating actions are identified and incorporated into capital planning, liquidity management and strategic responses.

In addition, stress testing results are used to support the following:

- Setting and refining the Bank's overall risk appetite, ensuring alignment between the risk profile and strategic objectives;
- Defining risk tolerance levels across key risk types, including credit, market and liquidity risks;
- Facilitating the development of risk mitigation and contingency plans, including capital and liquidity management actions under stressed conditions; and
- Supporting internal capital allocation decisions, ensuring adequate buffers are maintained to absorb potential losses should severe stress scenarios materialise.

Through this structured approach, stress testing strengthens the Bank's ability to anticipate adverse conditions, enhances proactive risk management, and reinforces the Bank's overall financial resilience and prudential governance framework.

Our risk landscape

The Bank is exposed to a broad range of financial and non-financial risks arising from its operations, market environment, and strategic activities. Financial risks—primarily credit, market, and liquidity risks—remain central to the Bank's performance and are managed through established frameworks, robust controls, and ongoing monitoring. In parallel, non-financial risks, including operational, regulatory, technology, conduct, and emerging risks such as climate and environmental risks, continue to evolve and require a proactive and forward-looking management approach.

The Bank maintains an integrated risk management framework that ensures these risks are identified, assessed, monitored, and mitigated in a consistent and disciplined manner, aligned with its risk appetite and strategic objectives. This section provides an overview of the key risks to which the Bank is exposed, together with the approaches and controls in place to manage them effectively.

Detailed quantitative disclosures relating to financial risks, including exposures, sensitivities, and any other risk metrics are presented within the audited financial statements of the Bank. Accordingly, this section focuses on providing a clear narrative of the Bank's risk profile, management approach, and key developments during the year, complementing the financial disclosures.

Financial risks

1. Credit risk

Credit risk is the potential for financial loss arising from a borrower's or counterparty's failure to meet their contractual obligations. It is the most significant risk faced by the Bank and arises primarily from lending activities, as well as from off-balance sheet exposures such as guarantees, commitments, and treasury placements.

The Bank manages credit risk through a well-defined credit risk management framework, supported by Board-approved policies, robust underwriting standards, and clearly defined risk appetite limits. Credit decisions are guided by internal rating models, risk-based pricing, and comprehensive due diligence processes. The Bank also maintains a diversified portfolio across sectors, products, and customer segments to mitigate concentration risk.

A key component of the Bank's credit risk management approach is the application of the Expected Credit Loss (ECL) model, which is used to measure and recognise potential credit losses in line with applicable accounting standards. The ECL model incorporates key risk parameters including:

- **Probability of Default (PD):** the likelihood of borrower default.
- **Loss Given Default (LGD):** the expected loss in the event of default.
- **Exposure at Default (EAD):** total exposure at the point of default.

These components are applied using forward-looking information and macroeconomic scenarios to ensure that credit losses are recognised in a timely and prudent manner. The ECL model is regularly reviewed and updated to reflect changes in the economic environment, portfolio performance, and regulatory requirements, ensuring continued alignment with applicable standards and supervisory expectations.

Ongoing credit risk monitoring is conducted through portfolio reviews, early warning indicators, and stress testing to assess potential vulnerabilities under different scenarios. Problem loans are managed through dedicated remedial units, with appropriate provisioning and recovery strategies in place. Through these measures, the Bank continues to strengthen its credit risk management practices to respond effectively to evolving market conditions and regulatory expectations.

2. Market risk:

2.1 Foreign exchange (FX)

Market risk arises from adverse movements in market variables such as foreign exchange rates, interest rates and, to a lesser extent, equity and commodity prices. The Bank is primarily exposed to foreign exchange risk and interest rate risk in the banking book. Foreign exchange risk arises from mismatches between assets and liabilities denominated in different currencies.

During the year under review, the Bank’s foreign exchange performance was influenced by market movements and BNR’s regulatory interventions. In particular, the implementation and enforcement of the Regulation Governing Foreign Exchange Operations (Regulation No. 42/2022, as amended by Regulation No. 89/2025) introduced tighter controls on FX pricing, regulated spreads and margins, and enhanced oversight over the treatment of FX transactions with related parties, requiring greater transparency and arm’s length pricing. These regulatory measures, while supporting currency stability and market discipline, constrained FX margins.

In addition, the continued depreciation of the Rwandan Franc against the US Dollar, increased exchange rate volatility and affected customer transaction behaviour, and the valuation of foreign currency positions.

2.2 Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the Banking Book (IRRBB) arises from changes in interest rates that may adversely affect the Bank’s earnings and economic value. The Bank manages IRRBB through a combination of asset and liability matching, repricing gap analysis, and sensitivity testing, ensuring that exposures remain within approved risk appetite limits.

In 2025, the Bank observed notable shifts in interest rate dynamics, characterised by a downward trend in lending rates alongside a gradual increase in deposit rates. These resulted in pressure on net interest margins, reflecting broader market conditions and monetary policy developments. These trends were consistent with the monetary policy stance communicated by BNR, which highlighted evolving liquidity conditions and inflation management measures influencing interest rate movements across the banking sector.

In response, the Bank closely monitored repricing mismatches and adjusted its asset-liability management strategies to mitigate potential impacts on earnings. Regular stress testing and scenario analysis were conducted to assess the sensitivity of the Bank’s balance sheet to interest rate movements which enabled timely management actions and supported the Bank’s resilience under changing market conditions.

The Asset and Liability Committee (ALCO) oversees market risk exposures, ensuring that positions remain within approved limits. Independent monitoring and reporting are conducted by the risk management function and augment with stress testing and scenario analysis.

3. Liquidity and Funding Risk

Liquidity risk may arise if the Bank is unable to meet its financial obligations as they fall due without incurring unacceptable losses. Funding risk relates to the Bank’s ability to maintain a stable and diversified funding base.

The Bank manages liquidity risk through a comprehensive liquidity risk management framework that combines prudent balance sheet management, maintenance of adequate liquidity buffers, and ongoing monitoring of funding profiles. Key tools include detailed maturity mismatch analysis, regular stress testing under both bank specific and market wide scenarios, and contingency funding arrangements to ensure preparedness under adverse conditions.

Liquidity is actively monitored against internal risk appetite limits and regulatory requirements, with consistent adherence to prudential ratios, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding

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Ratio (NSFR); both remained within regulatory thresholds during the period. Funding sources are diversified across customer deposits, wholesale funding and other sources, reducing reliance on any single funding channel.

Despite the level of deposit concentration disclosed in the audited financial statements, the Bank maintained sound liquidity positions throughout the year, supported by a stable and diversified funding base. While concentration in certain deposit segments remains an inherent feature of the Bank's funding profile, a number of targeted strategic actions have been implemented to address this risk, as outlined in the Bank's Strategy section. These include deliberate initiatives to broaden the retail and SME deposit base, deepen transaction led customer relationships, expand digital acquisition channels, and enhance product offerings aimed at improving deposit granularity and stability.

Overall, notwithstanding deposit concentration dynamics, the Bank's strong liquidity metrics, proactive strategic initiatives, and disciplined funding and governance framework ensured continued liquidity resilience and supported the Bank's ability to meet its obligations as they fell due.

Non-Financial Risks

1. Business Continuity and Operational Risk

Operational risk arises from inadequate or failed internal processes, people, systems, or external events and is inherent across all the Bank's activities. This includes risks related to business disruption, technology failures, cyber incidents, third-party dependencies, and other events that may affect the continuity of critical operations, customer service, financial performance, or reputation.

During the year, the Bank did not incur any material operational losses exceeding its approved risk appetite. However, system-related incidents experienced during the period tested the Bank's operational resilience and response capabilities, reinforcing the importance of strong recovery arrangements, proactive control monitoring, and effective crisis management.

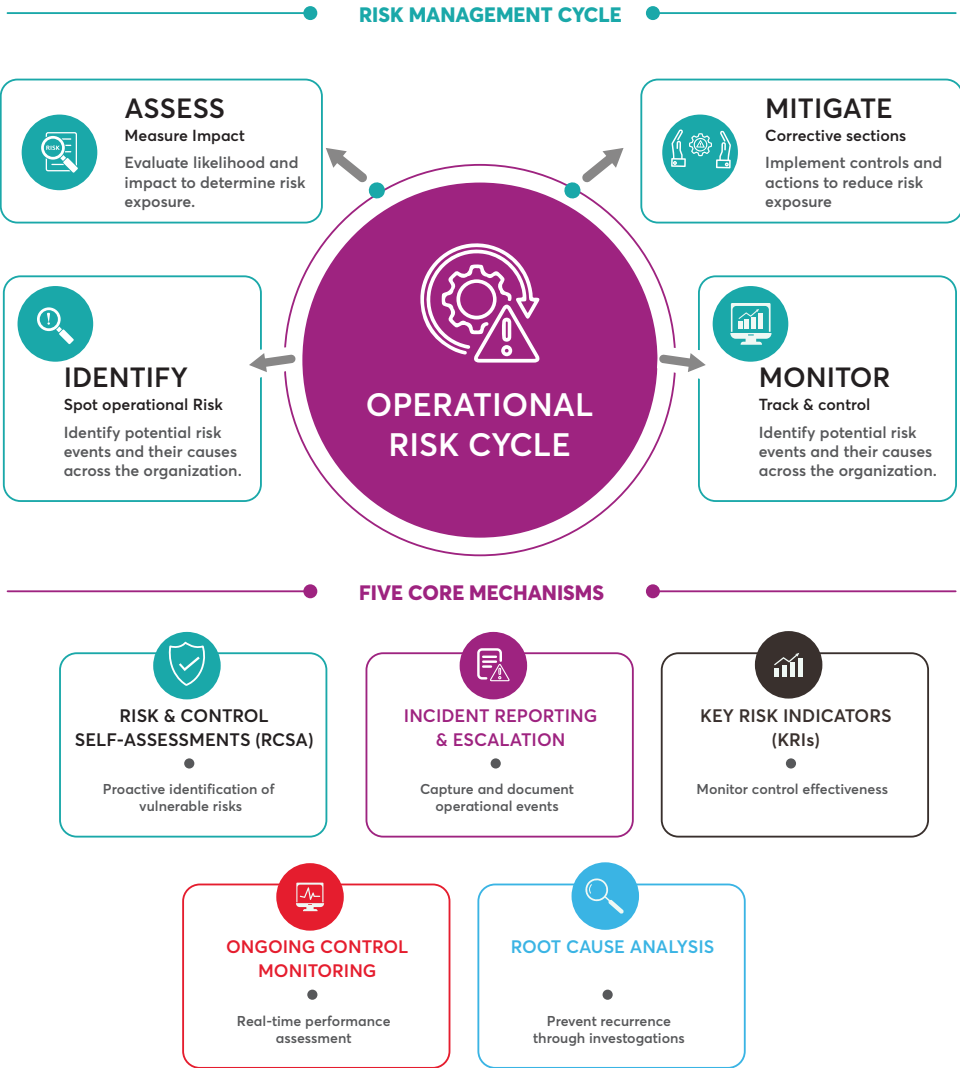
The Bank manages operational risk through a structured risk management framework comprising Risk and Control Self-Assessments (RCSAs), incident reporting, Key Risk Indicators (KRIs), ongoing control monitoring, and root cause analysis of operational events. These mechanisms support the identification, assessment, monitoring, and mitigation of risks arising from process failures, human error, system breakdowns, external disruptions, and emerging operational threats. Corrective and preventive



The Bank will progressively leverage digital innovation and advanced analytics, including the responsible adoption of artificial intelligence (AI), to enhance risk identification, monitoring and predictive capabilities.

OPERATIONAL RISK MANAGEMENT FRAMEWORK

Structured approach to identify, assess, monitor, and mitigate operational risk



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BUSINESS CONTINUITY & DISASTER RECOVERY
EMBEDDED IN OPERATIONAL RISK MANAGEMENT

BUSINESS CONTINUITY PLANS

- Maintain operations during disruptions
- Resume critical functions quickly
- Minimize customer impact

DISASTER RECOVERY PLANS

- Alternate site capability
- Data backups & restoration
- System failover procedures

OPERATIONAL RESILIENCE

- Rapid response
- Testing & validation
- Adaptive capacity

A comprehensive framework ensures rapid recovery and enables lasting protection.

actions are implemented to strengthen the control environment and reduce the likelihood of recurrence.

Business continuity and resilience are embedded within the Bank's operational risk management approach. The Bank maintains comprehensive Business Continuity Plans (BCPs) and Disaster Recovery Plans (DRPs), which are regularly reviewed, tested, and updated in line with regulatory expectations and industry practices. During 2025, the Bank conducted multiple resilience exercises, including alternate business site testing, core banking and critical systems recovery tests, and call tree activation exercises to validate readiness under stressed conditions and assess staff responsiveness, systems capacity, and recovery effectiveness.

Outcomes from these exercises, together with post-incident reviews and scenario testing, informed continuous improvements to recovery strategies and crisis preparedness. Where appropriate, the Bank also maintains insurance cover to partially mitigate the financial impact of significant operational loss events.

2. Technology, information and cyber security

Technology, information and cyber security risks arise from threats to the confidentiality, integrity and availability of the Bank's information systems and data. As the Bank continues to expand its digital channels and automate key processes, exposure to these risks has increased in both complexity and scale.

During the reporting period, the Bank experienced technology related incidents, including system bugs and system change failures, which resulted in service disruptions and financial losses. These events highlighted the critical importance of robust system change management, end to end testing, and effective post implementation reviews.

To manage these risks, the Bank has implemented an information security framework aligned to international standards which is supported by controls such as access management, network security, threat monitoring and incident response mechanisms. Management has further strengthened change management processes, system testing controls and incident escalation procedures, and scaled investments in cybersecurity tools, staff awareness programmes and regular vulnerability assessments. These measures are aimed at enhancing the Bank's operational resilience and overall cyber security posture.

3. Financial crime risk (AML/CFT, fraud and sanctions)

Financial crime risk includes exposure to money laundering, terrorism financing, fraud and breaches of sanctions' regulations which could result in regulatory penalties, financial loss and reputational damage.

During the year, the Bank continued to manage attempted

and actual fraud incidents, particularly linked to digital channels and customer transactions. While incidents were largely contained, they required heightened monitoring and investigative effort to prevent escalation and customer impact.

The Bank applies a zero tolerance approach to financial crime and maintains comprehensive AML/CFT and fraud risk management frameworks. These include customer due diligence, transaction monitoring, sanctions screening and regulatory reporting. Continuous staff training, strengthened fraud detection controls and clear escalation structures support effective management of financial crime risks and compliance with regulatory requirements.

4. Regulatory compliance and legal risk

Regulatory compliance risk arises from the failure to comply with applicable laws, regulations, guidelines and supervisory requirements, while legal risk relates to potential losses arising from legal disputes, unenforceable contracts or adverse judicial outcomes.

During the year, the Bank operated in an environment of heightened regulatory scrutiny, marked by the issuance of new guidelines, directives and regulatory requirements by BNR, as well as more intensive supervisory engagement. The pace and breadth of regulatory developments in 2025 required continuous interpretation, implementation and monitoring, increasing the operational and compliance demands across business units.

In response, the Bank has strengthened its compliance and legal risk management by maintaining a robust compliance framework complemented by clearly articulated policies, enhanced regulatory monitoring programmes, structured regulatory reporting, and proactive advisory support to the business. Further, internal mechanisms have been reinforced to track regulatory changes, assess their impact, and ensure timely and effective implementation across the Bank.

Legal risks are managed through standardised contractual documentation, independent legal review processes, and ongoing engagement with regulators and external legal counsel, ensuring that potential compliance and legal issues are identified early and addressed in a timely and controlled manner. Through these measures, the Bank seeks to maintain strong regulatory compliance and uphold sound governance in an increasingly complex regulatory environment.

5. Conduct, reputational and customer outcomes

Conduct risk arises from inappropriate behaviour, weak governance, or deficient customer practices that could result in unfair customer outcomes or damage to the Bank’s reputation. During the year, the Bank handled customer complaints and service related issues, some of which were linked to operational and system incidents. These matters required prompt resolution to preserve customer confidence and trust.

To strengthen customer outcomes, the Bank upgraded its Customer Relationship Management (CRM) system to enable timely handling, tracking and resolution of customer queries and complaints. In addition, a dedicated Customer Experience function has been established to oversee customer engagement, service quality and complaint management in line with consumer protection requirements and regulatory expectations.

As part of its commitment to transparency and fair customer treatment, the Bank abolished ledger fees, ensuring that customers have free and continuous access to their account related information. This measure supports improved customer outcomes and aligns with the principles of financial consumer protection.

The Bank continues to promote a strong ethical culture and customer centric approach supported by clearly defined service standards, complaints management processes and escalation mechanisms. Reputational risk is managed through effective governance, transparent communication, and proactive identification and management of emerging conduct issues, reinforcing the Bank’s commitment to fair treatment of customers and sustainable stakeholder relationships.

6. Third party and outsourcing risk

Third party risk arises from the Bank’s reliance on external service providers for critical systems, operational processes and support services.

During the year, the Bank continued to depend on key third party service providers for specialization benefit. Notwithstanding this reliance, there were no instances in 2025 where any single vendor or outsourced service provider materially breached service level agreements (SLAs) or failed to meet contractual commitments in a manner that adversely affected the Bank’s service delivery.

The Bank manages third party and outsourcing risk through rigorous pre engagement due diligence, robust contractual safeguards, ongoing service level monitoring and periodic performance reviews. Providers supporting critical activities are subject to enhanced oversight,

including requirements relating to business continuity, information security, regulatory compliance and exit planning, to ensure operational continuity and consumer protection.

7. People risk, and Health and Safety

People risk includes risks relating to talent availability, skills capacity, employee conduct, wellbeing and workplace safety. During the year, the Bank continued to operate in a competitive labour market, with growing demand for specialised skills in areas such as risk management, technology and compliance, and sustainability.

The Bank implemented targeted people strategies to ensure continuity of skills and operational effectiveness. These included the introduction of a graduate trainee programme aimed at developing internally grown talent with strong institutional knowledge and product fit across various functions of the Bank. In parallel, enhanced talent retention and engagement strategies were implemented to attract, develop and retain high performing employees in critical roles (see People Management Section 10 — for detailed talent management initiatives)

8. Environmental, Social and Climate-related risks

Climate related risks, including physical risks (such as extreme weather events) and transition risks arising from changes in regulation, technology and market preferences, have the potential to affect customers’ repayment capacity, collateral values, operational continuity and the Bank’s reputational standing. These risks are also subject to increasing supervisory focus and enhanced disclosure expectations.

The Bank integrates environmental, social and governance (ESG) considerations into its lending and investment decisions through established ESG, and Environmental and Social Risk Management (ESRM) policies, supported by due diligence processes. During the year, further progress was made in embedding ESG and climate considerations into governance structures and credit approval processes, ensuring that climate related risks are systematically assessed as part of risk based decision making.

To support effective implementation, the Bank has undertaken capacity building initiatives across risk, credit and business functions to strengthen understanding of climate and ESG risks, enhance application of relevant tools, and promote consistent implementation across the organisation. In line with findings from the sustainability self-assessment exercise conducted in 2024, an enhancement roadmap has been developed that prioritises strengthening climate risk taxonomy, improving data quality, developing quantitative measurement

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approaches, expanding scenario analysis and stress testing, and defining clearer risk appetite limits and control frameworks.

Looking ahead, the Bank has commenced the progressive adoption of IFRS S1 (sustainability disclosures) and IFRS S2 (climate disclosures) and other emerging regulatory requirements (see section 13). This includes assessing data gaps, enhancing reporting capabilities, and aligning internal processes to support consistent, reliable and decision useful sustainability and climate related disclosures. Through these actions, the Bank continues to advance its approach to climate risk management in line with regulatory expectations, international best practice and its long term sustainability objectives.

9. Top Emerging Risks

As the operating environment continues to evolve, NCBA Bank remains vigilant in identifying and responding to emerging risks that may impact its strategic objectives, financial performance, and long-term sustainability. While some of these risks are not yet fully crystallized, they are closely monitored due to their potential to materially affect the Bank's risk profile. These risks are:

A) Cybersecurity and data privacy risk

Cyber threats continue to grow in scale and sophistication, targeting financial institutions through ransomware, phishing, and system intrusions. As the Bank expands its digital channels and data-driven operations, the potential exposure to cyber incidents increases.



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TOP EMERGING RISKS



Cybersecurity and Data Privacy Risk



Technology and Operational Resilience Risk



Climate and Environmental Risk



Regulatory Change and Compliance Burden



Financial Crime and Fraud Risk



Talent and Organisational Capability Risk

A significant cyber event could result in financial losses, operational disruption, regulatory sanctions, and reputational damage. Additionally, increasing regulatory scrutiny around data protection places greater responsibility on the Bank to safeguard customer information.

The Bank continues to strengthen its cybersecurity posture by investing in advanced monitoring tools, regular vulnerability assessments, staff awareness programs, and by aligning with international information security standards. Cyber resilience remains a strategic priority at both Management and Board levels.

B) Technology and operational resilience risk

The increasing reliance on technology infrastructure, third-party service providers, and digital platforms exposes the Bank to risks related to system failures, service disruptions, and vendor dependencies.

Operational disruptions, whether due to internal system failures or external factors, can significantly impact service delivery, customer experience, and financial performance.

To mitigate these risks, the Bank continues to invest in

resilient IT architecture, strengthen its business continuity and disaster recovery capabilities, and enhance oversight of third-party service providers. Regular testing of critical systems and contingency plans ensures preparedness for potential disruptions.

C) Climate and environmental risk

Climate-related risks, including physical risks from extreme weather and transition risks linked to the shift to a low-carbon economy, may impact the Bank's customers and overall credit portfolio. In addition, increasing stakeholder expectations around sustainable finance expose the Bank to potential reputational and regulatory risks if not adequately addressed.

The Bank is integrating environmental and social considerations into its risk assessment and lending processes, in line with emerging ESG standards. As part of its strategic response, the Bank is progressively shifting its investment appetite towards sustainable financing, including support for green mobility initiatives and projects that promote economic empowerment for women and youth.



FOSTERING ECONOMIC GROWTH AND NATIONAL DEVELOPMENT.

This approach enables the Bank to manage climate-related risks while capturing opportunities in the transition to a more sustainable and inclusive economy.

D) Regulatory Change and Compliance Burden

The regulatory environment continues to evolve, with increased focus on areas such as consumer protection, data privacy, ESG disclosures, and financial crime compliance. These changes, while necessary, may increase operational complexity and compliance costs. Failure to adapt to new regulatory requirements in a timely manner could result in penalties, reputational damage, and restrictions on business activities.

The Bank maintains a proactive approach to regulatory engagement and continuously reviews and updates its policies, systems, and processes to ensure compliance. Ongoing staff training and awareness programs support the effective implementation of regulatory requirements across the organisation.

E) Financial Crime and Fraud Risk

The increasing digitization of financial services has been accompanied by more sophisticated financial crime techniques, including fraud, cyber-enabled theft, and money laundering schemes.

These risks not only pose financial losses but also threaten the Bank's reputation and regulatory standing.

The Bank continues to enhance its financial crime risk management capabilities through the use of advanced transaction monitoring systems, strengthened customer due diligence processes, and ongoing staff training. Collaboration with regulators and industry stakeholders further supports the Bank's efforts to combat financial crime.

F) Talent and Organisational Capability Risk

As the Bank evolves in a technology-driven environment, the demand for specialized skills, particularly in digital, data analytics, and risk management, continues to grow. Competition for talent remains high across the financial sector.

Failure to attract, develop, and retain key talent may impact the Bank's ability to execute its strategy effectively and manage emerging risks.

To address this, the Bank is investing in talent development, leadership programs, and employee engagement initiatives, while fostering a culture of continuous learning and innovation.

Looking Ahead

Looking ahead, the Bank will continue to advance its Enterprise Risk Management framework as a core enabler of sustainable value creation, long term resilience and stakeholder confidence. Risk management will increasingly converge with the Bank's sustainability agenda, ensuring that financial environmental and social risks are assessed holistically and systematically embedded into strategy formulation, capital allocation and day to day business decision making.

The Bank will progressively leverage digital innovation and advanced analytics, including the responsible adoption of artificial intelligence (AI), to enhance risk identification, monitoring and predictive capabilities. AI enabled tools will support early detection of emerging and non linear risks, strengthen fraud risk prevention, enhance scenario analysis and enable timelier, data driven risk decisions, supported by robust governance, model oversight and ethical use standards.

Commensurately, risk management will continue to evolve from a traditional assurance function into a business integrated, value enabling capability, with risk considerations embedded across the full value chain, including product development, customer onboarding, pricing, investment decisions and operational processes. A strong emphasis will be placed on the continuous enhancement of preventive and detective controls across business operations to improve operational resilience, reduce losses, strengthen accountability and support disciplined execution of the Bank's strategy.

In response to a rapidly evolving risk landscape, the Bank will deepen its focus on emerging risks, with particular emphasis on cyber security, fraud, and sustainability issues. This will include strengthening cyber defence and fraud monitoring frameworks, enhancing operational and system resilience, and progressively integrating climate and environmental risk considerations into credit assessment, portfolio monitoring, stress testing and risk appetite metrics. Climate related financial risks, including transition and physical risks, will remain a key area of focus as the Bank aligns its risk framework with sustainability objectives and evolving regulatory and market expectations.

Overall, the Bank remains committed to continuously aligning its risk management practices with regulatory requirements, ESG principles and international best practice to ensure that the risk framework remains forward looking, technology enabled and firmly embedded across the business to support sustainable growth and long term value creation.



Data Protection Overview

At NCBA Bank Rwanda, we recognize that safeguarding our customers’ data is not just a legal obligation, but a fundamental aspect of our commitment to trust and integrity. In today’s digital age, where data breaches and cyber threats loom large, our dedication to data protection is paramount. In this section, we outline our approach, achievements, and ongoing initiatives in ensuring the security and privacy of the data entrusted to us.

Compliance with data protection regulations is the cornerstone of our operations. We continuously strengthen our governance framework to ensure adherence to the regulatory requirements. Our compliance efforts encompass a comprehensive review of policies, procedures, and controls to mitigate risks and uphold the highest standards of data protection.

We recognize that our employees are our first line of defence against data breaches. Therefore, we prioritise ongoing training and awareness programs to empower our staff with the knowledge and skills necessary to identify and mitigate potential security risks. We conduct regular cybersecurity training sessions for all Staff, Senior Management and the Board of Directors, to reinforce best practices and promote a culture of vigilance across the organisation.

At NCBA Bank Rwanda, we view data protection as an ongoing journey rather than a destination. Therefore, we are committed to continuous improvement and innovation in our data protection practices. We conduct regular reviews and assessments of our data protection program, leveraging insights from industry best practices and emerging technologies to drive innovation and enhance our capabilities.

Data protection is a top priority for NCBA Bank Rwanda and we remain steadfast in our commitment to safeguarding the privacy and security of our customers’ data. As we look ahead, we will continue to adapt and evolve our data protection practices to meet the challenges of an increasingly complex and interconnected world.

Consumer protection overview

At NCBA Bank Rwanda, we ensure that the consumer is at the centre of all decisions regarding the financial services we provide. This focus is maintained through our governance framework, which guarantees compliance with regulatory requirements. This framework ensures that all consumer interactions throughout their journey adhere to regulations and consider both internal and external consumers.

In the year under review, we implemented various initiatives under the Consumer Protection strategies:

1. Policies and procedures

Since implementing the Consumer Protection regulation at NCBA Bank Rwanda, we have revised and drafted several policies and procedures, including:

- a). Anti-corruption and Gifts Policy
- b). Fraud prevention policy
- c). Policy on Special treatment for people with disabilities and other consumers with special needs
- d). Consumer Empowerment Procedure
- e). Complaints Management Procedure

2. Performance standards and consumer awareness

Job descriptions for all Bank staff now include responsibilities related to Financial Consumer Protection to enable staff to provide proper and prompt service delivery, maintain effective communication, and treat customers with respect. The Bank has published a Service Charter in all its branches and website, informing customers about the service delivery timelines for its services and products. A Gender Charter has also been published and serves as a strategic roadmap to promote leadership equity, eliminating workplace bias while enhancing business performance.

3. Disclosure and transparency

Several initiatives have been implemented to ensure customers are fully updated and understand any activities conducted within the Bank concerning their accounts. These include transaction notifications for current accounts, and loan outcomes.

Additionally, to enhance transparency, and accessibility, the Bank's communication is now available in any of the official languages permitted by the Rwandan constitution.

Disclosing information in a language that consumers understand ensures they clearly comprehend applicable fees, risks, rights, and obligations before entering into any contractual agreement with the Bank.

Digital and data protection strategies:

Consumers are now able to provide consent for receiving marketing communications through Opt-in/Opt-out rights that have been embedded into the new account opening forms.



4. Financial literacy programs

The Bank focused on empowering its customers through financial literacy initiatives implemented via multiple channels. These included the rollout of educational tips across its social media platforms, emails, and SMS communications. In addition, consumer awareness was enhanced through product knowledge engagements, radio programs, and consumer rights awareness campaigns conducted in partnership with the regulator.



5. Complaints' handling

The Bank continued to strengthen its complaints handling mechanisms to enhance customer experience, improve responsiveness, and reinforce consumer confidence. During the year, the Bank conducted a bank-wide Customer Relationship Management (CRM) training programme to strengthen staff capability in managing customer interactions and ensuring timely, effective resolution of customer concerns. As CRM utilisation continues to increase, refresher trainings are conducted regularly to support consistent follow-up and systematic management of customer queries.

To improve accessibility and transparency of complaint channels, customer education initiatives, including "How to Use the Intumwa Chatbot" videos, were delivered through social media platforms and branch screens. In addition, the Bank upgraded its Customer Relationship Management (CRM) system to enhance the effectiveness and efficiency of customer complaint and query management processes. A statistical summary of complaints handled is also published quarterly to promote transparency and accountability.

These initiatives contributed to improvements in the Bank's complaint handling performance indicators during the year, with the Contact Centre Service Level Agreement (SLA) achievement improving to 87% from 85% in 2024. The CRM resolution SLA stood at 82% compared to 87% in the prior year, reflecting areas identified for continued improvement as the Bank further strengthens customer resolution processes.



6. Organisational cultural transformation

The Bank implemented structured engagement initiatives, including a quarterly Internal Customer Satisfaction survey that enables staff to provide feedback on service quality and operational pain points. In addition, the "Rate My Service" initiative has been instrumental in strengthening service accountability and continuously improving service delivery across the Bank.

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7. Indicators towards fair treatment of consumers

Fair treatment of consumers is demonstrated through transparent product and pricing practices, including the use of updated loan contracts and the provision of translated Key Facts Statements (in all three languages acknowledged by the constitution) to ensure clear understanding of terms and costs. Service quality is further reinforced through defined service standards, such as Loan Processing turnaround (TAT) and Complaints Resolution SLAs, which promote timeliness, consistency, and accountability towards improving consumer experience.



8. Consumer satisfaction surveys

An annual customer satisfaction study was conducted to gauge the consumer's perception of the Bank's products, services and interactions. All business segments recorded a high NPS score i.e. 100%, 100%, 94% in Corporate, Business and Personal banking respectively. The overall bank score being 96% vs 92% recorded in 2024. This notable improvement was driven through various initiatives such as simplifying the account opening and loan journeys as well as quick transaction times.



9. Capacity building for internal stakeholders

During the period under review, NCBA Bank Rwanda continued to strengthen institutional capability through targeted training programmes for staff, Senior Management, and Board Directors, aimed at reinforcing regulatory compliance, leadership effectiveness, and sound risk management practices across the Bank.

- Data privacy and protection, as well as financial consumer protection trainings, were conducted to strengthen awareness and understanding of regulatory requirements and responsible banking practices. These trainings supported the Bank's strategic objective of safeguarding customer information, enhancing consumer trust, ensuring compliance with evolving regulations, and promoting ethical and transparent engagement with customers across all levels of operation.
- To further strengthen organisational resilience and leadership capability, the Bank also conducted risk management training alongside leadership development programmes for senior and middle management. These initiatives focused on enhancing risk awareness, strengthening decision-making capabilities, and equipping leaders with the skills required to effectively manage teams and navigate an evolving operating environment.

As the Bank advances its journey toward the consistent implementation of the consumer protection regulations, additional initiatives including the rollout of comprehensive financial literacy materials, expanded use of inclusive and accessible language, and strengthened consumer empowerment programs will be progressively implemented to ensure consistent regulatory compliance.

Internal control environment

The Bank’s internal control environment is structured around clearly defined roles and responsibilities across the Three Lines of Defence.

1st Control	Control Design and Execution Business and support functions are responsible for designing, implementing and operating effective controls within their day to day activities. Control ownership is supported by Board approved policies, standard operating procedures, delegated authorities, segregation of duties and management supervision. These controls are designed to prevent, detect and correct errors and irregularities within business operations.	Who We Are
2nd Control	Risk and Compliance Oversight The Enterprise Risk Management and Compliance (ERM&C) function establishes risk management standards, policies, methodologies and tools, and provides ongoing oversight of control implementation across the Bank. This includes risk assessments, compliance monitoring, thematic reviews, key risk indicator tracking and risk reporting. The second line provides guidance and challenge to ensure that controls remain appropriate, effective and aligned with the Bank’s risk appetite and regulatory expectations.	Our Business
3rd Control	Independent Assurance Internal Audit provides independent and objective assurance to the Board through BRMC on the adequacy and effectiveness of the Bank’s governance, risk management and internal control environment. Assurance activities are delivered through risk based audits, thematic reviews and follow up validation of management remediation actions.	ESG, Climate Risk & Sustainable Finance
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Findings and remediation

Findings arising from Internal Audit engagements are assessed for impact and prioritised based on risk. Management is responsible for developing and implementing remediation action plans with clear ownership and timelines, while Internal Audit independently validates the effective closure of actions. Progress against remediation is monitored and reported through Management Committees and the BRMC to support accountability and continuous strengthening of the internal control environment.



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10
POSSIBILITIES

A large white wind turbine stands prominently in the center of a lush green field. In the background, several other smaller wind turbines are visible on rolling hills under a bright blue sky with wispy white clouds. The foreground is filled with tall, golden-green grass. The entire image is overlaid with a semi-transparent blue geometric pattern consisting of various triangles and polygons.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG), CLIMATE RISK AND SUSTAINABLE FINANCE

Basis of Preparation and Reporting Boundary

The Sustainability section of this Integrated Report has been prepared by NCBA Bank Rwanda in alignment with the guidelines on the disclosure and reporting of sustainability related financial information issued by the National Bank of Rwanda, informed by the principles of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

The objective of these disclosures is to provide decision-useful information on sustainability-related and climate-related risks and opportunities that could reasonably be expected to influence the Bank’s strategy, business model, financial position, financial performance, and cash flows over the short, medium, and long term.

Unless otherwise stated, the disclosures presented in this section relate to the operations of NCBA Bank Rwanda and reflect management’s current understanding of material sustainability-related matters relevant to the Bank and its stakeholders during the reporting period.

In line with IFRS S1 and S2 guidance, the disclosures are structured around four core pillars: governance, strategy, risk management, and metrics and targets, providing a framework for communicating how the Bank identifies, manages, and responds to sustainability and climate-related risks and opportunities.

Progress Highlights

Climate change, evolving regulatory expectations, and shifting stakeholder priorities continue to reshape the financial services landscape in Rwanda and globally. In 2025, NCBA Rwanda initiated the integration of ESG considerations into the core business strategy, strengthening its institutional resilience and positioning it to capture sustainable growth opportunities aligned with Rwanda’s national development priorities.

Building on the governance foundations and framework development established in 2024, 2025 represented a transition from planning and design toward initial formalisation, activation, and early-stage implementation with progress being made in five priority areas:

- Strengthening ESG governance structures and internal accountability frameworks.
- Building the capacity of key business unit owners and sustainability champions.
- Scaling sustainable and green finance activities.
- Enhancing the Bank’s resilience against sustainability related risks.
- Strengthening stakeholder engagement, reporting quality, and disclosure practices.

Guided by the NCBA Group sustainability strategy, Change the Story, NCBA Rwanda adopted and commenced the implementation of a localised sustainability framework anchored on the Group’s five sustainability pillars and fifteen commitments. Through this approach, the Bank demonstrates its commitment to generate long-term shared value for its stakeholders while contributing meaningfully to Rwanda’s Vision 2050 development agenda and Nationally Determined Contributions (NDCs) under the Paris Agreement.



GOVERNANCE

An overview of the governance structures, oversight mechanisms, and management processes through which the NCBA Rwanda directs, monitors, and is held accountable for its sustainability and climate-related priorities.

NCBA Rwanda's Governance of Sustainability and Climate-Related Risks and Opportunities

The Bank maintains an integrated approach to ESG and climate governance, ensuring efficient and effective decision-making across all levels of the organisation. Our governance structure is designed to provide clear lines of accountability, embed sustainability into business planning, and ensure agile responsiveness to the evolving regulatory environment.

Board and Executive Oversight

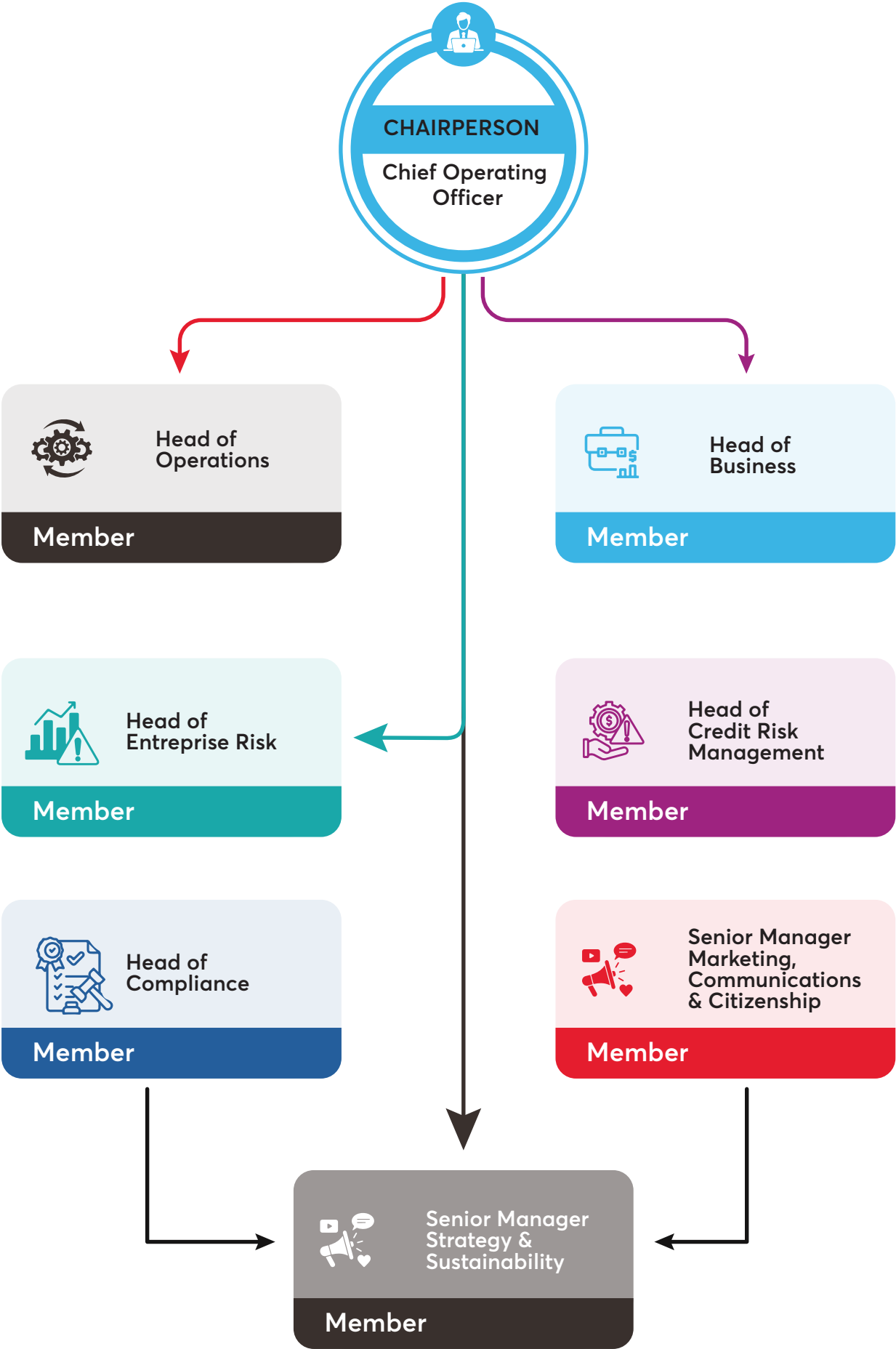
The Bank's Board of Directors provides strategic oversight of all ESG and climate-related matters. In 2025, Board engagement intensified, with a focused emphasis on monitoring climate-related risks and opportunities against defined risk appetite thresholds and ensuring alignment with IFRS S1 and IFRS S2 disclosure requirements, as well as applicable BNR regulatory expectations.

In 2026, we plan to deploy targeted capacity-building initiatives and enhance our governance processes to strengthen the effectiveness of Board oversight. In this regard, the Board will be responsible for overseeing the integration of sustainability and climate-related risks into the Enterprise Risk Management Framework (ERMF), including ensuring compliance with applicable regulatory and disclosure requirements. It will also review the Bank's Risk Appetite Statements (RAS) to incorporate ESG and climate risk considerations, consider findings from sustainability assurance processes, and maintain consistent oversight of the Bank's Environmental and Social (E&S) risk portfolio, including performance of the sustainable finance portfolio and the green loan book.

Sustainability Steering Committee

A key governance milestone in 2025 was the transition of the previously ad hoc committee into a structured ESG Steering Committee reinforcing the Bank's governance architecture for sustainability and climate-related matters. This enhanced institutional continuity, clarified mandate, and strengthened cross-functional coordination on sustainability priorities.

The Sustainability Management Steering Committee brings together representatives from key functions, across the Bank, to support the coordinated implementation of sustainability-related initiatives, monitor progress against emerging priorities, and facilitate alignment with Group direction, regulatory developments, and evolving stakeholder expectations.



THE COMMITTEE'S SCOPE OF WORK ENCOMPASSES:



The Role of Stakeholder Engagement

Effective stakeholder engagement is central to NCBA Rwanda's approach to sustainability governance. Through transparent communication, collaborative initiatives, and regular feedback mechanisms, we ensure that our financial solutions, policies, and sustainability commitments align with the interests of our stakeholders. By fostering these relationships, we create shared value and contribute to a resilient and inclusive financial ecosystem.

In 2025, our engagement model evolved toward more structured, data-driven, and continuous interaction enabling improved responsiveness to stakeholder expectations and ensuring our material priorities remain aligned with broader societal needs. See **Stakeholder Engagement Table** for a detailed breakdown of our engagement approach across key stakeholder groups.



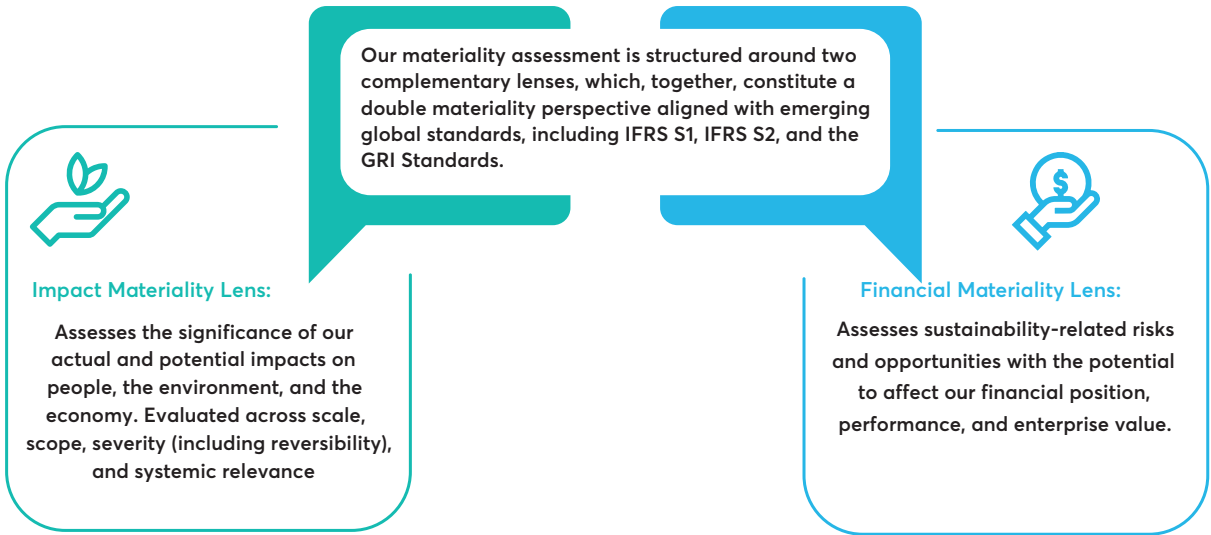


STRATEGY

An overview of the material risks posed by climate change to the planet and society, the Bank’s strategic response, and the key trade-offs considered to support resilient and sustainable value creation for stakeholders.

Material Sustainability and Climate Drivers of Value

Materiality underpins how we identify, prioritise, and disclose the sustainability matters that are most relevant to our business and stakeholders. It informs the scope and depth of our disclosures, as well as the strategic priorities that shape our decision-making, capital allocation, and risk management.



A Value Chain View

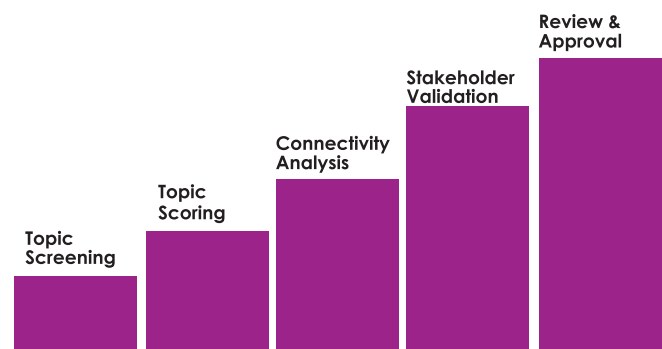
We assess all material topics across our full financial institution value chain, ensuring that both upstream and downstream impacts and dependencies are considered when determining what we consider material.

Value Chain Layer	Scope of Assessment
Upstream	Wholesale funding, development finance institutions, and capital markets activity.
Own Operations	Branch network, offices, workforce, procurement, and IT systems and infrastructure.
Core Intermediation	Deposits (retail, SME, corporate), lending, and advisory services.
Downstream	Client activities enabled by our financing, and systemic contribution to economic and financial resilience.

Material assessment Steps

How We Identify Material Topics:

Identifying material topics is an iterative and evidence-based process. We review our material sustainability topics annually to capture emerging risks, regulatory developments, and shifts in stakeholder expectations and a comprehensive, in-depth materiality assessment every three years to ensure continued relevance, robustness, and strategic alignment.



We begin with a broad universe of sustainability and climate-related topics drawn from relevant frameworks and sector guidance, including the GRI Universal Standards, IFRS S1 and S2, Taskforce on Nature-related Financial Disclosures (TNFD) and sector-specific guidance for financial institutions. From this universe, we screen, score, and refine topics based on a structured set of criteria. Each topic is scored independently on both materiality lenses:

Impact materiality is scored on:

- Scale (how significant is the impact?)
- Scope (how many people or ecosystems are affected?)
- Severity (how serious and reversible is the harm or benefit?)
- Systemic relevance (does this affect financial system stability or broader societal outcomes?)

Financial materiality is scored on:

- **Magnitude** (what is the potential effect on financial performance or enterprise value?)
- **Likelihood** (how probable is the materialisation of the risk or opportunity?)
- **Time horizon** (over what period is the effect expected to occur?)

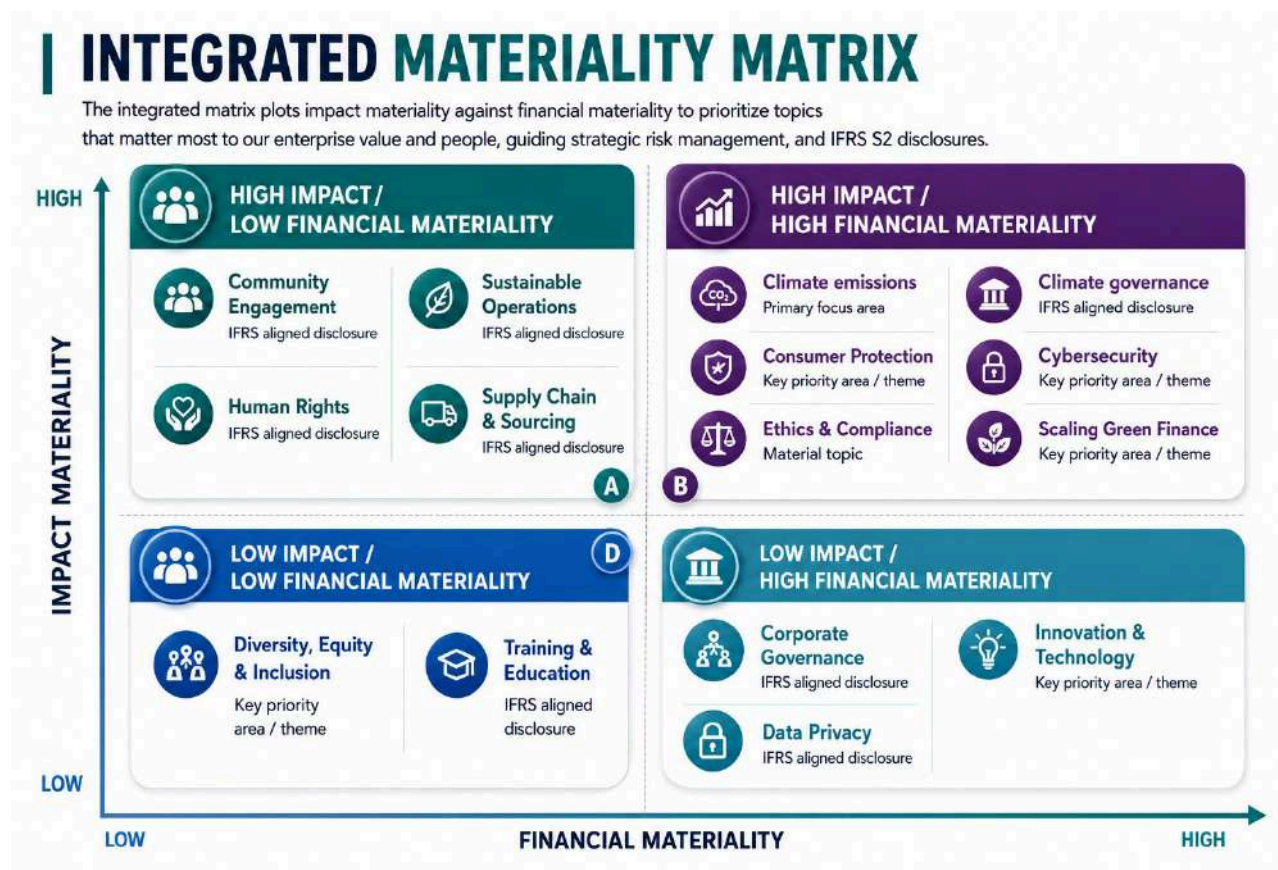
We then assess the strength of the transmission pathway between impact and financial materiality for each topic i.e., how directly and rapidly an impact-related development translates into financial consequences. Topics with strong connectivity receive a higher composite score.

The results of the assessment including topic scores, positioning in the materiality matrix, and changes from prior periods are reviewed by Senior Management

through the Sustainability Management Committee and approved by the Board's Risk Committee (BRC). This ensures alignment between the materiality determination and the institution's risk appetite, strategic priorities, and disclosure obligations.

Integrated Materiality Matrix

The primary output of the assessment is a materiality matrix mapping each topic according to its composite impact materiality score (y-axis) and its composite financial materiality score (x-axis). Topics positioned in the high quadrant are considered strategically and financially material and form the reporting boundary for this Integrated Report.



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As a dedicated supplement to the Integrated Materiality Matrix, we produce a standalone climate materiality output providing decision-grade information on the three climate topics assessed as strategically material:

CLIMATE STRATEGY: IMPACT AND VALUE CREATION

CLIMATE TOPIC	KEY IMPACT PATHWAY	KEY FINANCIAL PATHWAY
 CLIMATE GOVERNANCE & RISK MANAGEMENT	- Alignment of deposit-funded, lending, investment and underwriting portfolios with climate risk frameworks and supervisory expectations. - Client income disruption from climate events affecting SME, agriculture, mortgage and infrastructure.	- Supervisory scrutiny, disclosure credibility, cost of regulation. - Portfolio quality, expected credit losses, reduced liquidity under climate stress scenarios.
 CLIMATE EMISSIONS & DECARBONISATION	Financed emissions enabled by deposit-funded lending and investment.	Funding cost pressure, stranded asset risk, transition risk in credit portfolio.
 SCALING GREEN FINANCE	Mobilising deposits and capital into green assets and climate-resilient lending products.	Revenue growth, product differentiation, green funding cost advantage.
 MANAGE RISK Strengthen resilience to climate and transition risks.	 DRIVE IMPACT Support a low-carbon, climate-resilient economy.	 CREATE VALUE Enhance financial performance and long-term stakeholder value.

From Materiality to Action

The materiality assessment is not a reporting artefact. It is an operational input to our governance, risk management, and strategic planning processes. The outputs are used in the following ways:



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The identification and prioritisation of material sustainability topics form a critical input into the Bank's sustainability and climate risks and opportunities' assessment process. This year's integrated materiality approach updated our view of the sustainability and climate matters that have the greatest potential to influence our financial performance, operational resilience, and long-term value creation, while also reflecting the impacts of our activities on the economy, society, and the environment.

We have updated our risks and opportunities' analysis associated with our material themes as identified in the integrated materiality matrix (strategically and financially material), across our value chain, and short-, medium-, and long-term time horizons. The table below provides a structured view of how the Bank's most material sustainability topics translate into tangible shifts in its business model, portfolio strategy, and value chain risk profile.

Material Topic	Key Risks	Key Opportunities	Impact on Our Business Model	Time Horizon	Value Chain Exposure
Climate - Emissions & Decarbonisation	- Transition risk from carbon-intensive sectors (policy changes, carbon pricing, standards); - Financed emissions concentration driving higher credit/market risk and potential portfolio devaluation - Client transition plan weakness increases PD/LGD - Reputational risk and funding cost pressure if perceived "high-carbon" - Data/MRV quality risk for financed emissions	- Growth in low-carbon lending - Transition finance and sustainability-linked products - Access to concessional/blended capital and guarantees; - Improved portfolio quality through transition-aligned clients - New fee income (advisory, carbon/energy efficiency financing) - Stronger investor confidence and lower cost of capital - Operational cost savings from Scope I and II reductions	- Re-shapes sector appetite - Portfolio steering and product design - Embeds financed-emissions metrics in credit decisions and pricing; - Drives transition finance pipeline and targets; - Influences cost of funds and investor positioning	Short-Medium, with Long tail (stranded asset risk)	Core financial intermediation – Lending / Underwriting
Consumer Protection	- Conduct risk (mis-selling) - Unfair pricing/fees, poor disclosures; - Complaints, litigation and regulatory sanctions; - Operational risk from weak customer servicing/digital outages; - Reputational risk leading to deposit churn; - Financial inclusion backlash if access barriers persist	- Stronger trust and deposit stability; - Reduced losses from disputes/fines; differentiated customer experience; - Inclusive product innovation (affordable credit, savings); - Improved collections and portfolio quality through fair treatment	- Directly affects customer acquisition/retention, deposits and fee income; - Strengthens distribution model (digital + branch); - Reduces conduct-related losses; - Supports inclusive growth proposition	Short (incidents), Medium (trust/market position)	Core financial intermediation – Deposits
Ethics & Compliance	- Regulatory breaches (AML/CFT, sanctions, market conduct); - Weak controls leading to fraud and financial crime; - Third-party compliance failures; - Enforcement actions, fines and license-to-operate risk	- Lower loss events and remediation costs; - Improved supervisory outcomes; - Better access to correspondent banking/DFIs; - Stronger culture and risk discipline; - Operational efficiency through standardised controls	- Underpins license to operate; enables scaling safely (digital, partnerships); - Protects reputation and funding relationships; - Improves operational resilience and governance credibility	Short - Medium	Own operations

Material Topic	Key Risks	Key Opportunities	Impact on Our Business Model	Time Horizon	Value Chain Exposure
Corporate Governance	- Weak oversight of risk appetite/strategy; - Inadequate board expertise on climate/tech; poor accountability and control environment; conflicts of interest; - Weak disclosures/assurance readiness; reputational and supervisory risk	- Faster, better capital allocation and strategic execution; - Stronger risk culture; improved investor confidence; - Readiness for assurance and evolving disclosure requirements; - Better crisis response	- Determines how effectively sustainability risks/opportunities are integrated into ERM, strategy and reporting; - Drives decision rights, escalation and performance management	Short-Medium, with Long effects on resilience	Own operations
Anti-Corruption	- Bribery/kickbacks (procurement, lending/collections); - Facilitation payments in high-risk markets; - Client integrity risk (PEP exposure); regulatory sanctions, debarment from public/DFI programmes; - Reputational damage	- Access to DFI/ESG-linked funding; stronger partnerships and public trust; - Reduced fraud losses; - Improved employee culture and retention	- Protects access to growth channels (public sector, DFIs, correspondent banks); - Reduces credit losses linked to integrity issues; - Strengthens brand trust (deposits)	Short - Medium	Core financial inter-mediation – Lending / Underwriting
Environmental & Social Due Diligence	- Credit losses from unmitigated E&S risks (project delays, community conflict, regulatory shutdowns); - Litigation and reputational harm from financing harmful activities; - Stranded asset risk from poor E&S practices; - Inconsistent screening across subsidiaries/partners	- Better credit selection and pricing; improved portfolio resilience; - Access to green/sustainable finance funding pools; - Stronger client engagement and risk mitigation; - Enhanced ability to scale programmes (SME EE, renewables, clean cooking)	- Embeds E&S screening into origination, underwriting and monitoring; - Influences sector policies/exclusions; - Reduces tail risks and improves portfolio quality; supports credible disclosures and assurance	Short-Medium (incidents), Medium-Long (portfolio resilience)	Core financial inter-mediation – Lending / Underwriting

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Material Topic	Key Risks	Key Opportunities	Impact on Our Business Model	Time Horizon	Value Chain Exposure
Scaling Green Finance	- Greenwashing and taxonomy/ misclassification risk; Pipeline and capacity constraints; - Execution/MRV risk in impact tracking; - Concentration risk if growth is not diversified; - Reputational risk if outcomes not credible	- Revenue growth through green asset expansion; - New products (EE, renewables, clean transport, climate-smart agri, clean cooking); - Concessional capital and guarantees; - Cross-sell and deeper relationships; - Leadership positioning in market	Shifts business model toward transition-enabling intermediation; expands eligible asset base and partnerships; strengthens client acquisition and funding diversification; supports national climate/NDC alignment	Short-Medium (build pipeline), Medium (scale)	Core financial intermediation – Lending / Underwriting
Cyber	Service disruption, fraud and theft; ransomware and data compromise; systemic risk impacts (payments downtime); regulatory sanctions; loss of customer trust and deposit outflows; third-party/vendor vulnerabilities	- Stronger digital trust and adoption; - Reduced fraud losses and downtime; - Operational efficiency; - Improved resilience supporting growth in digital channels and partnerships	- Directly affects deposits and digital operating model; - Drives investments in resilience, monitoring, incident response and third-party controls; - Influences cost base and customer trust	Immediate–Short (incidents), Medium (resilience maturity)	Core financial intermediation – Deposits
Data Privacy	- Breach of customer data; - Non-compliance with privacy laws; - Litigation and regulatory penalties; - Erosion of trust affecting deposits and digital adoption; - Vendor data handling risks	- Differentiated trust proposition; - Improved data governance enabling analytics/AI safely; - Reduced regulatory friction; - Improved cross-sell through consent-based insights	- Underpins digital growth and customer trust; - Strengthens governance for analytics and AI; - Reduces conduct and operational losses; - Supports compliance and reputational resilience	Short - Medium	Core financial intermediation – Deposits

Material Topic	Key Risks	Key Opportunities	Impact on Our Business Model	Time Horizon	Value Chain Exposure
Climate - Governance & Risk Management (physical & transition)	- Physical risk concentration (drought/flood impacts on agri, SMEs, households) driving credit losses and insurance claims (if applicable); - Transition policy shocks; - Stress on liquidity/capital under adverse scenarios; - Weak integration into ERM/ICAAP/ORSA; poor scenario analysis leading to mispriced risk	- Better risk selection and pricing; - Resilient portfolio steering by sector/region; - Enhanced supervisory readiness; - Improved capital planning and early-warning systems; - Growth in resilience finance (adaptation, climate-smart infra)	- Integrates climate into ERM, risk appetite, credit and portfolio management; - Drives scenario analysis and stress testing; - Links to capital planning and disclosures; - Strengthens resilience proposition for clients	Short-Medium (physical shocks, policy), Long (chronic change)	Core financial intermediation – Lending / Underwriting
Innovation & Technology	- Model risk (AI/analytics), operational failures, third-party dependency; - Exclusion risk (digital divide); regulatory uncertainty; - Technology obsolescence; cyber/privacy amplification	- New revenue streams (digital lending, embedded finance, data-driven underwriting); - Improved efficiency and cost-to-income; - Better risk management through analytics; - Broader reach/inclusion; - Innovative climate products	- Accelerates digital-first distribution and partnerships; - Changes underwriting/origination via data; - Improves operating leverage; - Supports scalable green finance and inclusion if governed well	Short-Medium (execution/con-trols), Medium (competitive advantage)	Core financial intermediation – Lending / Underwriting

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Our Sustainability & Climate Strategy: Change The Story

Our Ambition is to be Rwanda's foremost provider of integrated GREEN financial solutions

Recognizing that climate change and an evolving regulatory landscape continue to shape our operating environment, the Bank is progressively integrating a more holistic approach into its core business. The sustainability and climate strategy was developed to support the effective management of associated risks while positioning the Bank to respond to emerging opportunities arising from these material issues.

To this end, the Bank has embedded sustainability within its core strategy through **Change the Story**, a structured five-pillar framework designed to:

- Reduce the Bank's direct environmental footprint
- Support clients in their transition journeys
- Strengthen resilience to climate-related risks
- Create shared value within the communities we serve
- Maintain robust governance and control foundations

In addition, the Bank's core corporate strategy embeds key conduct, technology, and governance priorities. Consumer protection, ethics and compliance, anti-corruption, cyber security, data privacy, corporate governance, and innovation and technology are managed as part of business-as-usual through established policies, controls, and oversight structures. These areas remain subject to ongoing monitoring and continuous improvement to ensure alignment with regulatory expectations and evolving risk dynamics.

Specifically, as part of Change the Story, the Bank:



1	Is scaling green finance which remains a central strategic priority: The bank continues to expand its portfolio of green and transition finance solutions, supporting clients in sectors critical to the low-carbon transition while positioning the business to capture emerging growth opportunities linked to climate and sustainable development.
2	Has, in parallel, established Scope I and Scope II operational emissions targets, with a goal to set financed emissions targets to guide the decarbonisation of both its own footprint and its lending and investment portfolios. These targets inform portfolio steering, client engagement, and product innovation in line with evolving regulatory and market expectations.
3	Is strengthening its risk management architecture, with particular focus on enhancing Environmental and Social Due Diligence (ESDD) processes. ESDD is embedded within credit origination and monitoring to ensure that environmental and social risks are systematically identified, assessed, and mitigated across the portfolio, supporting improved asset quality and reduced downside risk.
4	Recognises the strategic value of stable and financially resilient communities to its long-term operations. Targeted initiatives in financial literacy and SME education are designed to improve borrower capability, enhance credit performance, and support sustainable client growth and retention over time.
5	Continues to strengthen its control environment and value chain resilience.

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Progress & Achievements from our Sustainability and Climate Strategy

2025 marked a tangible shift from strategy adoption toward measurable impact delivery. Below we report on our performance against each pillar.

PILLAR 1

Minimise Our Direct Impact on the Climate and Amplify Our Tree Planting Programme

The Bank has set three clear operational commitments designed to reduce its environmental footprint, support ecosystem resilience, and strengthen the sustainability of our value chain. These commitments complement our emissions reduction targets and reinforce our broader climate transition strategy.

We are committed to growing 20,000 trees annually through structured partnerships with government agencies, private sector actors, community organisations, and environmental experts.

Effective reforestation at scale requires land access, ecological expertise, local knowledge, and sustained community stewardship that no single institution can provide alone. By co-investing with partners who bring complementary capabilities, we generate broader coverage, stronger ecological outcomes, and more durable community benefit than direct delivery could achieve.



This year NCBA Rwanda planted a total of 20,000 seedlings planted at in partnership with Green City Kigali and Kigali Golf Resort & Villas

These programmes also served as a platform for employee engagement, fostering a culture of environmental stewardship across the organisation.

We have committed to eliminate single-use plastics from our operations and ensure that 100% of operational waste is recycled or responsibly managed by 2030.

These are unambiguous, binary targets. Meeting them requires systematic change across procurement, operations, and supplier relationships, not incremental optimisation. Our approach centres on transitioning to reusable and recyclable materials across all branches and offices, engaging suppliers to eliminate plastic at source, plans to deploy waste segregation and tracking systems, and building certified recycler partnerships that can absorb our full waste stream.

In line with this, in 2025, NCBA Rwanda replaced plastic cups and bottles with paper and glass alternatives across all branches.

Greening Our Supply Chain and Transforming All Corporate Gifting to Be Sustainable

Our environmental and social footprint extends to the suppliers we engage, the products we procure, and the gifts we distribute to our stakeholders.

Corporate gifting, while a modest expenditure line, carries disproportionate institutional signal value. It makes our stated environmental values visible and tangible to clients, partners, and staff. The transition to fully sustainable gifting, sourced from ethical suppliers, free from single-use plastic, and aligned with our publicly stated commitments is underway.



PILLAR 2

Ignite Our Customers' Transition to a Low-Carbon Operating Model

Mobilize & steer RWF 10 Billion of Green & Sustainable Financing to accelerate the transition

In 2025, the bank disbursed RWF 302,520,700 in green finance. The bulk of which was disbursed through a partnership with Kabisa to support the roll out of Rwanda's first electric taxi initiative 'Umurabyo'. This programme is designed to accelerate the transition from internal combustion engine (ICE) vehicles to electric mobility within the public transport sector, targeting taxi operators as a key entry point



Through this partnership, NCBA is providing full asset financing for these electric vehicles reducing the upfront cost barrier that has historically limited adoption. The model enables local taxi drivers to access cleaner more efficient vehicles under structured financing arrangements, while supporting broader national objectives on emissions reduction and sustainable urban transport.

Recognizing the release of the Rwanda Green Taxonomy in 2025, we have initiated measures to assess its implications and develop a structured roadmap to progressively align our green portfolio with its requirements and principles.

PILLAR3

Mitigate the Impact of Climate-related Risks to Our Long-Term Performance

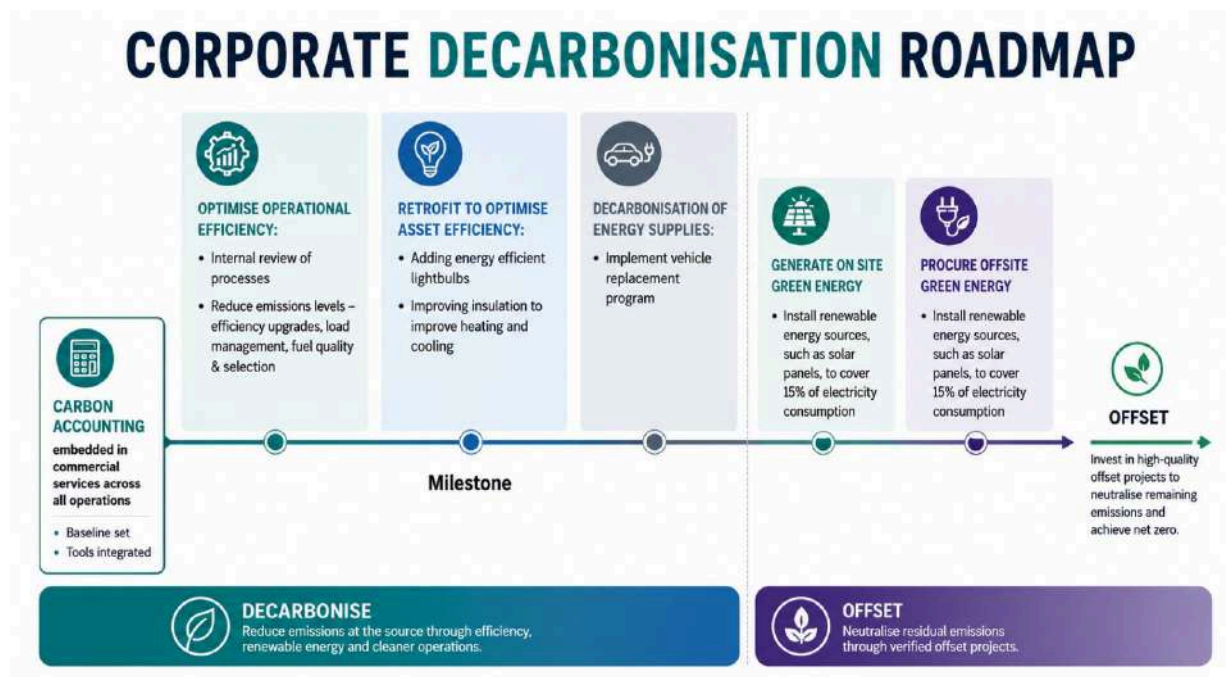
Climate-related risks are increasingly recognised as drivers of credit, market, operational and reputational risk. The Bank is embedding climate considerations into enterprise risk management, portfolio steering and capital planning to strengthen long-term resilience.

Our Focus	Understanding and reducing our own operational emissions.
	Aligning our financed portfolio with the Paris Agreement and setting science-based targets.
	Embedding climate risk into core credit and investment decisions.
	Enhancing our environmental and social due diligence (ESDD) process to ensure environmental and social risks are well integrated in credit risks' management.
	Deploying scenario analysis and forward-looking risk management.

Reducing Our Operational Emissions

NCBA Rwanda conducted its first Scope 1 and Scope 2 carbon audit in 2024, establishing a baseline for operational emissions. Building on this, we have committed to reduce these emissions by more than 50% by 2030, supporting national decarbonisation goals and improving operational efficiency.

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The 2024 audit recorded Scope 1 emissions of 98.95 tCO₂e and Scope 2 emissions of 7.06 tCO₂e, resulting in total Scope 1 and 2 emissions of 106.01 tCO₂e.

In 2025, reported Scope 1 emissions were 65.95 tCO₂e, while Scope 2 emissions increased to 158.30 tCO₂e, bringing total Scope 1 and 2 emissions to 224.25 tCO₂e.

The reported decrease in Scope 1 emissions should be considered in the context of existing data limitations, particularly incomplete data relating to refrigerant gas refills from air conditioning systems. These limitations affect the completeness and comparability of Scope 1 emissions and may result in an understatement of actual emissions.

The increase in Scope 2 emissions was primarily driven by higher electricity consumption across operations, including increased energy demand associated with the installation of electric vehicle charging stations at two branches, reflecting continued investment in supporting the transition to low-carbon mobility.

To strengthen the quality and reliability of emissions reporting, the Bank is enhancing its data collection and monitoring processes, including transitioning from annual to quarterly data collection. This is expected to improve data quality, strengthen emissions tracking, and support more timely interventions to enhance reporting accuracy and consistency in future disclosures.



PILLAR 4

Enhance the Impact of Our Community Engagement Model

Igniting our 200+ employees to make a difference

To embed sustainability into the Bank’s corporate culture and operations, a mandatory e-learning course titled ‘Change the Story’ was introduced in 2024 to ensure that all employees understand, internalize, and actively contribute to the sustainability agenda.

The course covers:

- 1. Key sustainability principles & ESG Governance
- 2. ESG integration
- 3. Climate risk management
- 4. Carbon market & Accounting
- 5. Green Finance

In 2025, 70 employees completed the online modules. Building on this momentum, we have set annual capability enhancement targets to progressively deepen technical expertise across the business. The next phase of our programme will thus see us scale role-specific, advanced training modules aligned to the three lines of defence. This structured, tiered approach is designed to embed climate and sustainability considerations more firmly into day-to-day decision-making, strengthen risk management discipline and support the Bank’s evolving regulatory and strategic requirements.

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NCBA ACADEMY SUSTAINABILITY LEARNING JOURNEY

A comprehensive set of courses designed to build expertise, strengthen ESG capabilities and drive sustainable impact.



BUILD EXPERTISE

Deepen future readiness through structured learning.



MANAGE RISK

Strengthen climate and ESG risk management.



DRIVE IMPACT

Enable sustainability leadership for decision-making.



MEET REQUIREMENTS

Support compliance with key regulatory and reporting standards.



1



KEY SUSTAINABILITY PRINCIPLES & ESG OVERVIEW

Understand the core principles of sustainability and how strong ESG governance drives long-term value.



2



ESG INTEGRATION

Learn how to embed ESG factors into decision-making processes and investment decisions.



3



CLIMATE RISK MANAGEMENT

Identify, assess and manage climate-related risks and opportunities across the value chain.



4



CARBON MARKET & ACCOUNTING

Explore carbon markets and accounting principles to advance greener and resilient emissions.



5



GREEN FINANCE

Discover green finance opportunities and their role in driving capital for sustainable futures.

NCBA Academy Sustainability Courses

- 1 Navigating Ethics and Opportunities of Implementation of sustainable businesses
- 2 Building a Strategic Commitment to Sustainability
- 3 Leader version—demystifying Corporate ESG and Sustainability
- 4 The Ethics of Environmental Change on Business
- 5 Sustainability: Restoring Our Earth



Practical insights, real world impact. A sustainable future, together.



The ‘Change the Story’ Transformation Engine will be driven by every one of our Staff making a personal commitment



NCBA SUSTAINABILITY COMMITMENTS UNVEIL

Invest over RWF 100 million in communities

In 2025, NCBA Rwanda, invested over RWF 80 million in community initiatives across environmental stewardship, education, mentorship, and financial literacy. These interventions reached and positively impacted more than 2,000 lives, reinforcing the Bank’s role as a catalyst for inclusive and sustainable development.

a) Environmental stewardship

The Bank advanced its environmental agenda through structured partnerships and targeted restoration efforts. Through Memorandums of Understanding with Green City Kigali and Kigali Golf Resort, NCBA Rwanda supported the planting of 20,000 trees. This contributed to the restoration and expansion of forest cover in Kinnyinya, and contributed to Kigali’s overall tree cover.



b) Education and Youth Development

NCBA Rwanda adopted an integrated approach to education and youth empowerment, combining financial investment with direct engagement. The Bank invested RWF 16 million in the education of 230 students through scholarships and debate sponsorships. This includes 10 targeted scholarships for children facing socio-economic challenges, ensuring continuity in education for vulnerable groups.

Beyond financial support, the Bank extended its impact through experiential learning. Through the Dreamer's Academy Camp, NCBA staff delivered a five-day financial literacy programme to high school students, equipping them with practical skills in money management, saving, and responsible decision-making.

This commitment to youth development was further reinforced through sponsorship of the Pan African Economic Olympiad, which brought together students from Rwanda, Kenya, and Nigeria. The Olympiad featured competitions in Economics, Speech, and Business, providing a platform to sharpen critical thinking, communication, and entrepreneurial skills among the next generation.

Collectively, these interventions position education as a lever for dignity, resilience, and long-term economic participation, while reinforcing NCBA's commitment to inclusive human capital development.

2025 COMMUNITY IMPACT HIGHLIGHTS

Driving positive change. Empowering communities.
Building a sustainable Rwanda.





RWF 80M+
Community investment





2,000+
Lives impacted





20,000
Trees planted

KEY INITIATIVES



RWF 16M
Education support

- 230 students
- 10 scholarships



Dreamer's Academy
5-day financial literacy programme
High school students



Economic Olympiad
120 students
Rwanda, Kenya, Nigeria
U of Kigali



3
Golf tournaments
Stakeholder engagement



80
Junior golfers
Rwanda's first corporate series



Tennis Tournament
Genocide Memorial
2nd consecutive year
Unity platform



Umurabyo
Electric vehicle financing initiative
With Kabisa



200
School attendance initiatives
Musanze, Kismotiv schools



20,000
Trees planted
Environmental partnerships



Together, we are creating lasting impact
and building a **better future** for generations to come.

c) Strategic Sponsorships

The Bank complemented its direct interventions with strategic sponsorships across health, culture, enterprise development, climate action, and national dialogue platforms. Through partnerships with a diverse network of stakeholders, these initiatives amplified reach and deepened impact, contributing to improved socio-economic outcomes for more than 2,000 beneficiaries.

We will champion inclusive communities through regional sport development

NCBA Rwanda continued to leverage sport as a strategic platform to advance inclusion, youth development, and community cohesion, while strengthening its brand positioning. Through structured engagements, the Bank supported both grassroots participation and competitive platforms, reinforcing the role of sport in shaping discipline, leadership, and social connection.

The Bank hosted 3 golf tournaments, convening a broad network of stakeholders and clients. A key milestone was the launch of Rwanda's first corporate-backed Junior Golf Series, which established structured pathways for young athletes to access and participate in the sport. By engaging 80 junior golfers, the initiative contributed to early talent development while instilling discipline and confidence.

NCBA Rwanda also sustained its support for national platforms that promote unity and collective reflection. For the second consecutive year, the Bank sponsored the Genocide Memorial Tennis Tournament, reinforcing its commitment to initiatives that foster social cohesion, healing, and remembrance.

PILLAR 5

Optimise our Corporate Governance

Furthering Inclusive Leadership and a Diverse Supply Chain

Strong corporate governance and inclusive value chain practices are foundational to the Bank's long-term resilience, operational integrity, and sustainable growth. Consistent with best practice, the Bank continues to strengthen governance oversight, procurement discipline, and diversity outcomes to support effective risk management and stakeholder confidence.

This pillar recognises that governance excellence extends beyond Board oversight to include how we procure, build talent pipelines, and enable inclusive participation in the economy. These areas are increasingly material from a regulatory, reputational, and operational resilience perspective.

Our focus is on:

- Strengthening diversity, equity and inclusion (DEI) across the organisation, with a near-balanced overall gender representation of 54% male to 46% female, while recognizing a significant gender gap and at senior management level where representation stands at 92% male and 8% female.
- Building the next generation of women, youth and persons with disabilities' entrepreneurs and professional leaders.
- Enhancing inclusive procurement across our value chain



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RISK MANAGEMENT

An overview of the Bank’s approach to identifying, assessing and managing sustainability and climate-related risks through disciplined risk culture, effective governance, and an integrated enterprise risk management framework.

Enhancing Risk Discipline in a Changing Climate

Climate and broader sustainability risks are becoming increasingly material for the financial sector, driving heightened regulatory focus on the integration of these risks into core risk management processes. In response, the Bank has elevated ESG risks to principal risk status, recognising their growing strategic and financial relevance. Plans to incorporate these risks the Risk and Control Self-Assessment (RCSA) processes across the business, enabling structured identification, assessment and monitoring at the operational level are underway.

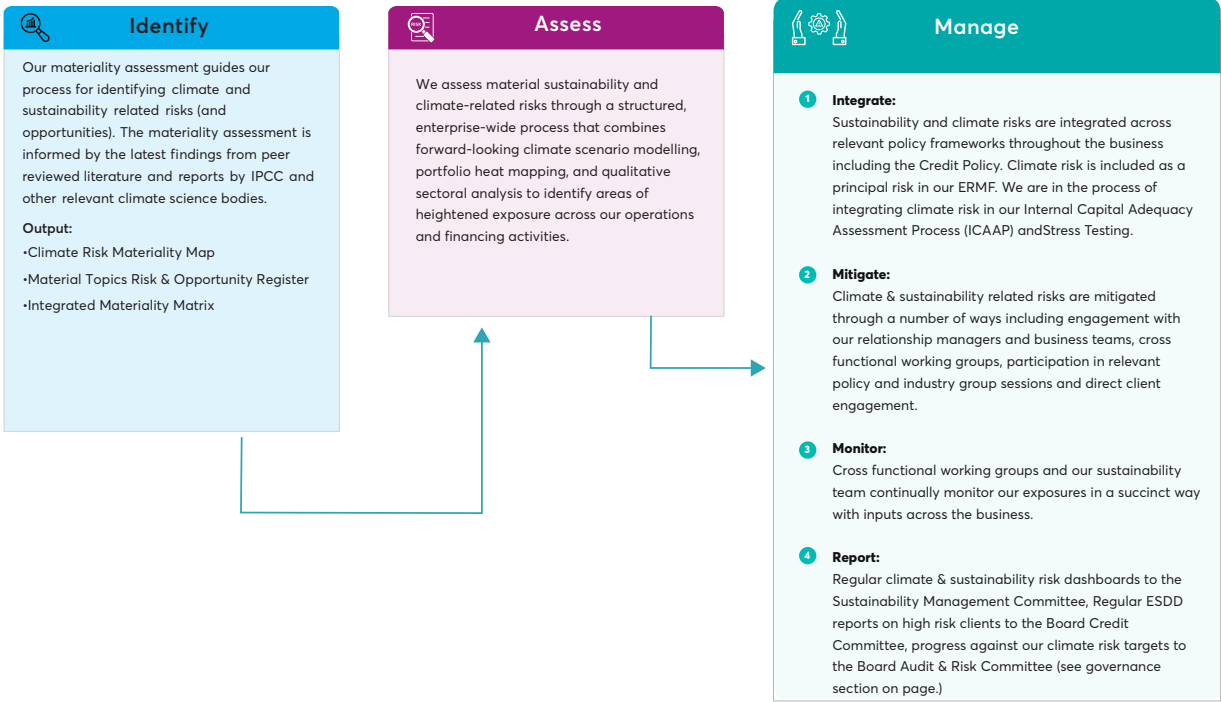
The Bank is also progressively strengthening the integration of climate and sustainability risks into its Enterprise Risk Management Framework (ERMF). This work is intended to ensure that climate and broader ESG risks are systematically embedded across enterprise-wide risk identification, assessment, monitoring and governance processes.

How we Identify Sustainability & Climate Risks

The Bank applies a structured climate risk materiality process to identify and prioritise the climate-related risks most relevant to its strategy, portfolio, and long-term financial resilience. This process is being progressively embedded within the broader risk and control assessment framework and materiality processes, drawing on both quantitative analytics and qualitative expert judgement. Implementation is being undertaken on a phased basis, recognising current data and methodological constraints.

Risk Management Process

Summary of our Process for identifying, assessing and managing sustainability & climate risks



The primary output of this process is the climate risk materiality map, which provides a consolidated view of the Bank's most significant climate-related exposures across its portfolio and operational footprint. The most recent completed assessment was conducted in FY2024, and the resulting materiality map continues to serve as the Bank's current baseline for risk identification and prioritisation.

During FY2025, focus was placed on strengthening the underlying methodology, governance, and data architecture required to support a more robust and repeatable assessment. This includes alignment with emerging regulatory expectations from the National Bank of Rwanda and enhanced integration into enterprise risk management processes.

As capabilities mature, the climate materiality assessment will be refreshed periodically, with future iterations expected to incorporate improved data quality, more granular scenario inputs, and evolving best practices. This will ensure that the Bank's approach remains responsive to changes in the external risk landscape and continues to support forward-looking risk management and strategic decision-making.

Forward-looking climate scenario analysis is central to understanding how climate change may affect portfolio resilience, business performance, and long-term strategic positioning.

Climate Risk Materiality					
Climate Risk Type	Sub-Type	Climate-related risks	Specific impact that climate-related risk will have on NCBA-RW Loan Book over the given horizon.		
			Short-term time horizon	Medium-term time horizon	Long-term time horizon
Transition Risk	Policy and Legal	Increased GHG emissions pricing in order to incentivise movement to renewable energy sources.	Medium	Medium	High
		Stricter emission-reporting requirements	Medium	High	High
		Enhanced regulatory environment and mandated requirements: may introduce minimum standards/ green credentials	Medium	Medium	High
		Regulation of financial product or service such as taxonomy reporting	High	High	High
		Loss and damage – emerging legal cases/ compensation	Low	Medium	High
		GHG emission quotas	Low	Medium	Medium
	Technology	Substitution of technology, including requirements to replace manufacturing technology to cleaner alternatives.	Low	Medium	High
		Higher cost associated with low carbon technology	Medium	Medium	Medium
		Investment in technology to climate-proof infrastructure	Medium	Medium	High
		Low return or low viability from new technologies	Medium	Medium	Medium

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Climate Risk Materiality					
Climate Risk Type	Sub-Type	Climate-related risks	Specific impact that climate-related risk will have on NCBA-RW Loan Book over the given horizon.		
Transition Risk	Market	Increased volatility and costs, sourcing restrictions for carbon-heavy raw materials.	Medium	Medium	High
		Limited supply and increased demand of energy efficient and low flood risk properties.	Medium	High	High
		Change in consumer behaviours including deliberate move to lower-carbon footprint products.	Low	Medium	Medium
		Competitor changes – new entrants with green credentials, entering market without incurring transition costs	Low	Low	Low
		Insurance policies becoming unattractive due to pricing	Low	Medium	Medium
		Poor performance of climate vulnerable assets	Low	Medium	Medium
		Risk perception increase among co-financiers and investors due to climate risk uncertainty	Medium	High	High
	Reputation	Changing customer, community and other stakeholder views, attitudes, perceptions and values on climate.	Low	Medium	Medium
		Increased scrutiny including from regulators, media, on carbon emissions for a business, its supply chain including who provides financing.	Medium	High	High
		Increased stakeholder scrutiny if lack of action on reduction in emissions, or substantial contribution to improving resilience/ adaptive capacity of local communities	Low	Medium	Medium

Climate Risk Materiality					
Climate Risk Type	Sub-Type	Climate-related risks	Specific impact that climate-related risk will have on NCBA-RW Loan Book over the given horizon.		
Physical Risk	Acute	Increased frequency and – severity of climate-driven events. Flooding	High	High	High
		Drought	High	High	High
		Heatwave	Low	Low	Medium
		Landslide	Low	Medium	Medium
		Wildfires	Low	Medium	Medium
	Chronic	Stability of local ecosystems, affecting food production/ and living environment	Low	Medium	High
		Rising temperatures affect local infrastructure, working & living conditions	Low	Medium	High
		Rising sea level affects local ecosystems, increase flood risk	Medium	High	High
		Changing precipitation patterns	Medium	High	High
		Water stress	High	High	High
		Deforestation	Medium	Medium	High
		Soil degradation	Medium	High	High

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How We Assess & Manage Climate Risk

Our approach to assessing climate-related risks considers both physical and transition dimensions, across relevant time horizons and key transmission channels to the Bank's financial performance. This will be informed by a combination of analytical inputs, including sectoral risk reviews, climate scenario analysis, geographic vulnerability assessments, and portfolio-level heat mapping. Initial focus will be placed on identifying potential concentrations of exposure within climate-sensitive sectors, carbon-intensive value chains, and climate-vulnerable geographies, recognising that these capabilities will be developed progressively as data and tools improve.

The Bank's climate risk assessment and management framework is currently under development and will be aligned with the Guidelines on Climate-related and Environmental Financial Risk Management issued by the National Bank of Rwanda. As part of this, the Bank is working to establish a climate risk appetite that acknowledges the presence of residual exposure to long-term financial, customer, operational, and reputational impacts arising from climate change, while balancing these risks with the strategic opportunity to align business activities with climate objectives and emerging regulatory expectations.

Climate Scenario Analysis: Forward-Looking Statement

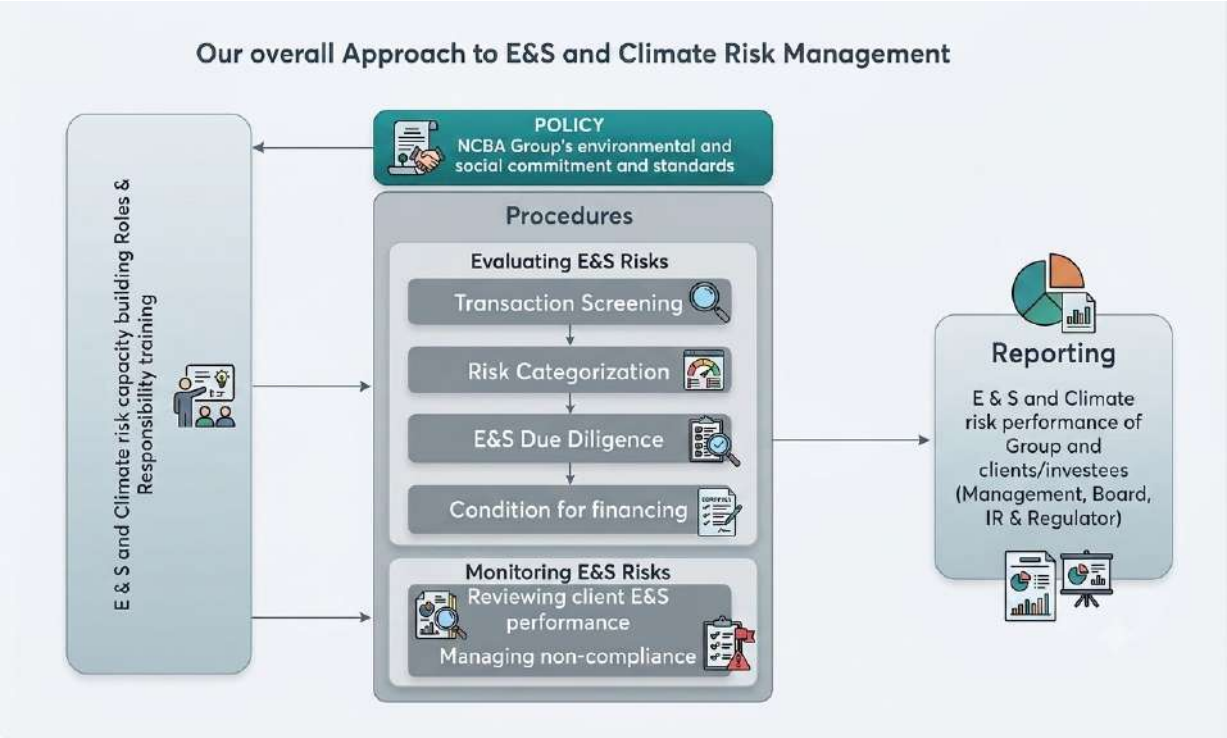
Forward-looking climate scenario analysis is central to a robust assessment of climate-related financial risks and opportunities. It enables institutions to evaluate how different climate pathways (including both orderly and disorderly transitions and chronic physical changes) may affect portfolio quality, business model resilience, and strategic positioning over time.

The Bank intends to adopt the Network for Greening the Financial System (NGFS) Climate Scenarios as the primary framework for its forward-looking climate scenario analysis. The NGFS scenarios are developed by a global coalition of central banks and financial supervisors and are widely recognised as the most credible and methodologically sound scenarios for financial institutions assessing climate-related risk. The scenarios span a range of transition and physical risk pathways, from orderly net zero-aligned transitions to high-warming, delayed-action scenarios, providing a structured basis for evaluating portfolio sensitivity to climate change.

It is important to note that this work is at the planning stage. NCBA Rwanda has not yet completed a full NGFS-aligned climate scenario analysis. The adoption of the NGFS framework, and the formal scenario analysis work associated with it, is planned as part of the Bank's progressive development of its climate risk management capabilities, in line with the phased implementation approach set out under the BNR's regulatory guidelines. The Bank will report on the outcomes of this work in future reporting periods as the analysis is developed and completed.

In managing climate risk, the Bank considers it both as a principal risk category and as a cross-cutting driver of other financial and non-financial risks. This dual perspective is expected to support a more integrated approach to risk management, where climate considerations are progressively embedded into existing risk frameworks, governance processes, and decision-making structures as methodologies and internal capacity evolve.

How We Assess & Manage Environmental & Social Risk



Our E&S Risk Management Steps				
Environmental and Social risk management process framework				
Process	Screening	Due diligence	Contracting	Monitoring
Activities	- Screen a client on excluded activities - Screen a client on negative media attention	- Classify the E&S risk level of the portfolio - Apply the ESDD questionnaire - Site Visit	- If applicable include the CAP in the LOO - Include E&S covenants	Monitor E&S items and if applicable Corrective Action Plans
Instruments	- Exclusion list - E&S risk level analysis - Google search	- E&S risk classification (EaSI tool) - E&S DD questionnaire - Sector guidelines	- Generic clause on E&S - CAP template	E&S Corrective Action Plans
Output	- E&S risk classification - Definition of DD level	- E&S risk classification - Recommended actions (CAP)	- E&S Covenants - E&S Corrective Action Plan	E&S Monitoring Report

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The Bank applies an Environmental and Social Risks' Management framework (ESMS) to identify, assess and manage sustainability-related risks in its lending and investment portfolios. All CIB and SME transactions are screened at origination to determine their environmental and social risks' profile and then classified into low, medium or high-risk categories based on the potential severity, scale and likelihood of environmental or social impacts associated with the underlying activity.

High E&S Risk Exposure:

Transactions classified as high risk typically involve sectors or activities with significant (irreversible) potential environmental or social impacts. These include large-scale infrastructure projects, extractives industries, intensive agriculture, or manufacturing activities with complex environmental footprints.

Medium E&S Risk Exposure

Transactions classified as medium risk are associated with activities with moderate environmental or social impacts that can be managed through standard operational controls and regulatory compliance.

Low E&S Risk Exposure

Transactions classified as low risk involve activities with minimal environmental or social impacts, such as services, low-impact commercial activities or sectors where operational risks are limited and well regulated.



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METRICS & TARGETS

An overview of the Bank's quantitative and qualitative metrics and targets that track performance against our material sustainability and climate risks & opportunities as captured in 'Change the Story'.

Performance Metrics For Our Sustainability & Climate Targets

In 2023, the NCBA Group formulated its sustainability strategy, Change the Story, and cascaded it across all its subsidiaries including NCBA Rwanda. Premised on 5 key pillars and 15 bold commitments, Change the Story encapsulates NCBA's decarbonisation agenda while providing a unified approach for its management of Environmental, Social, and Governance (ESG) business and societal risks and opportunities. The table below captures progress to date against key performance indicators of 2030 targets. (*Most of the current KPIs reported are for Rwanda and are stated as such).





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2030 Commitments	SDG Alignment	Target Level	Specific Metric	Baseline	2025 Performance	Cumulative Performance
We will Grow 20,000 trees annually through strategic, partnerships with private actors & government	 	10,000,000 Trees	Number of trees	10,000 (2024)	20,000	30.000
We will fully eliminate single use plastic and recycle 100% of our waste by 2030	 	100% Recycled Waste	% recycled	0	Replaced plastic cups and bottles with more sustainable paper and glass alternatives.	
We will green our supply chain and transform all our corporate gifting to be sustainable	 	100% Sustainable Gifting	% sustainable gifting	0	Achieved 90% sustainable gifting through engagement with eco-friendly vendors	
We will mobilize & steer RWF 10 Billion of Green & Sustainable Financing to accelerate the transition	    	RWF 30 Billion disbursed in green & sustainable finance	Amount disbursed Green (RWF)	-	302,520,700 RWF disbursed	
We will invest in deploying EV charging stations across the country.	 		Number of EV Charging Stations	2 (2024)	0	2
We will develop a "Change the Story" knowledge platform to inspire and capacitize the public towards change		Knowledge Platform – online	Number of Users	-	-	-

2030 Commitments	SDG Alignment	Target Level	Specific Metric	Baseline	2025 Performance	Cumulative Performance
We will complete a bank-wide carbon audit in 2024 & set a >50% reduction target in direct emissions (Scope 1 & 2) by 2030	SDG 13 	50% reduction in Scope 1 and 11 emissions	% reduction in tCO ₂ e	Scope 1: 98.95 tCO ₂ e Scope 2: 7.06 tCO ₂ e Overall Scope 1 and 2 emissions: 106.01 tCO ₂ e (2024)	Scope 1: 65.9 5 tCO ₂ e Scope 2: 11.16 tCO ₂ e Scope 1: 65.95 tCO ₂ e Scope 2: 158.30 tCO ₂ e Overall Scope 1 and 2 emissions: 224.25 tCO ₂ e	Total emissions increased by 118.24 tCO ₂ e (112%)
We will align with the 2015 Paris Agreement and reduce our financed emissions by 2030	SDG 13 	Portfolio Targets not set	% reduction in tCO ₂ e in financed emissions			
We will embed thorough assessments of climate-related risks in our lending, investment, and financing activities	SDG 13 	100% of lending, investment and financing screened for climate impact	% portfolio screened for E&S Risks % portfolio screened for climate risks	-	100% of portfolio screened for E&S Risks	100% of portfolio screened for E&S Risks
We will train & ignite our 200+ staff to make a difference through the "I Change the Story" program	SDG 11 	3000 Staff trained	Number of Staff trained	40 (2023)	70	70
We will deploy RWF 100M annually to support the communities in which we operate	SDG 11 		Amount deployed (RWF)	88 M (2025)	88 M	88 M

2030 Commitments	SDG Alignment	Target Level	Specific Metric	Baseline	2025 Performance	Cumulative Performance
We will champion inclusive communities through regional sport development	SDG 10 	>30% of beneficiaries in our sport programs that are women or underrepresented groups	% representation of women & under-represented groups	-	12%	12%
We will steer at least 30% of our General Services procurement spend to women and youth	SDG 5, 10  	30% procurement spend in women and youth	% procurement spend	<8% (2024)	<1%	<1%
We will promote diversity, equity and inclusion at all levels of our operations	SDG 5 	30% women in senior leadership	% of women in senior leadership	8% of women in leadership (2024)	8% of women in leadership (2025)	8% of women in leadership
We will provide targeted mentorship and skills building for women and youth	SDG 5, 8  	30,000 women and youth	Number of women & youth	(2024)	-	-



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“

Climate risk is both a standalone risk category and a cross-cutting driver of financial and non-financial risks, requiring an integrated approach to governance, risk management, and decision-making.

”

1 Our Financials



Report of the Directors
Statement of Directors' responsibilities
Independent Auditor's report
Financial Statements & Notes

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CORPORATE INFORMATION

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

PRINCIPAL ACTIVITIES

The bank provides an extensive range of banking, financial and related services and is licensed by the National Bank of Rwanda.

BUSINESS REVIEW

The Bank's performance highlights for the year are as follows;

The bank realized 2.6% growth in interest and other credit-related income recording Frw 32.3 billion in 2025 up from Frw 31.5 billion in 2024. Interest expense recorded a decline of 8.1% during the same period, from Frw 8.3 billion in 2024 to Frw 7.7 billion in 2025.

There was a 21.9% decline in expenses including expected credit losses from Frw 19.3 billion to Frw 15.1 billion due to recoveries during the year resulting to a Pre-tax profit of Frw 12.3 billion, a 67% increase from Frw 7.3 billion in 2024.

The total assets grew by 24%, from Frw 227.2 billion to close at Frw 298.6 billion. The growth was boosted by the growth in loans and advances.

DIRECTORS

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

Amb. Dr. Benjamin M. Rugangazi	Director-Non- Executive/ Chairman
Mr. Nelson J.M. Mainnah	Director- Non-executive
Ms. Julianne K. Kayonga	Director- Non-executive
Hon. Abdirahin Haithar Abdi	Director- Non-executive
Ms. Eugenia Kayitesi	Director- Non-executive
Mr. Deogratius Kamurase	Director- Non-executive
Ms. Rita Kamanzi	Director- Non-executive
Dr. James Ndahiro	Director- Non-executive
Mr. Maurice Toroitich	Director - Executive

BOARD OF DIRECTORS

The Board of Directors is composed of the Chairperson of the Board and non-executive Directors. The Directors have extensive professional and business experience and meet regularly to formulate strategy, review the bank's performance against plans, formulate policies and discharge duties as outlined in the charter.

The Board delegates day-to-day running of the business to the management but retains the ultimate responsibility for establishing overall internal controls.

The Board has five committees, namely Board Risk Committee, Board Audit Committee, Board Credit Committee, Board IT Committee and Board Nomination and Remuneration Committee.



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During the year, the Board conducted its business through the main Board and five committees respectively. The attendance of the respective committees in 2025 is shown below:

Director	Designation		BOD	BAC	BNRC	BIT	BRC	BCC	Board Strategy Retreat
Amb. Dr. Benjamin M Rugangazi	Chairman	Membership	√						√
		Attendance	5/5						1/1
Ms. Rita M. Kamanzi	Director	Membership	√		√	√	√		√
		Attendance	5/5		5/5	5/5	5/5		1/1
Mr. Nelson J.M Mainnah	Director	Membership	√	√		√		√	√
		Attendance	5/5	5/5		5/5		5/5	1/1
Ms. Julianne K. Kayonga	Director	Membership	√	√	√	√			√
		Attendance	5/5	5/5	5/5	5/5			1/1
Ms. Eugenia Kayitesi	Director	Membership	√			√	√	√	√
		Attendance	5/5			5/5	5/5	5/5	1/1
Dr. James Ndahiro	Director	Membership	√	√			√	√	√
		Attendance	5/5	5/5			5/5	5/5	1/1
Mr. Deogratius Kamurase	Director	Membership	√	√	√			√	√
		Attendance	5/5	5/5	5/5			5/5	1/1
Hon. Abdirahin Haithar Abdi	Director	Membership	√	√	√		√		√
		Attendance	5/5	5/5	5/5		5/5		1/1
Maurice Toroitich	Managing Director	Membership	√			√		√	√
		Attendance	5/5			5/5		5/5	1/1

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This section provides a brief profile of each Board member, outlining their experience, qualifications, and key competencies."

Amb. Dr. Benjamin M Rugangazi
Chairman

Amb. Dr. Rugangazi Benjamin M. is an entrepreneur with broad leadership skills in government and academia. He is currently the Executive Manager of Nema Company Ltd, a privately owned light manufacturing and Agro-processing company in Rwanda. Dr. Rugangazi started his career in Veterinary Medicine in 1982, before venturing into the investment arena. Between 1995 and 2004, he served as the Chief Executive Officer of Tri-Star investments; a private company with investments in mobile telephony in East Africa, construction and agricultural projects. Thereafter he joined the government of Rwanda as Ambassador to China and six other South Asian countries and later as Rwanda's High Commissioner to Tanzania. He holds a PhD. in Veterinary Science from the University of Nairobi and an Executive Business Management Certificate from UCLA, USA. He has written and co-authored Academic Publications. Dr. Rugangazi is a member of the board of Mayfair Insurance Company Rwanda Limited.

Ms. Rita M. Kamanzi
Director

Ms. Rita is the Chief Human Resource Officer at AOS Ltd since September 2015. Her main focus is human resource activities within the company. She has previously worked with renowned private and public institutions which include KT Rwanda Network, Rwanda Development Board, Rwanda Information Technology Authority and Kigali Institute of Education. Rita served as Director of e-Government at a time when the Government of Rwanda was implementing different strategic e-Government solutions and her responsibility was to coordinate all these initiatives at a national level. She has since played a vital role in the development of the Rwanda ICT Sector; covering areas of project management, policy formulation, sector strategic planning and execution, as well as M&E. She has served primarily within the public sector of Rwanda in the area of ICT in different capacities and is committed to serving the private sector in the same way, with her accumulated experience and knowledge. She holds a bachelor's degree in Computer Science (Bangalore University) and MSc.IT, option Computer Science & Software Engineering from the University of Rwanda.

Mr. Nelson J.M Mainnah
Director

Mr. Mainnah holds a Bachelor of Commerce (Accounting) degree from the University of Nairobi. He is a member of Kenya Institute of Management and is an alumnus of INSEAD, France, where he obtained qualifications on Risk Management in Banking. He retired from CBA as Group Head of Enterprise Risk in April 2012 after working at the bank for thirty- eight years. Mr. Mainnah has considerable expertise in business management, credit and enterprise risk, and treasury operations. Nelson holds various board positions in the educational sector and offers financial leadership in various charitable organizations. He is currently involved in strategic leadership and risk management through consultancy services.

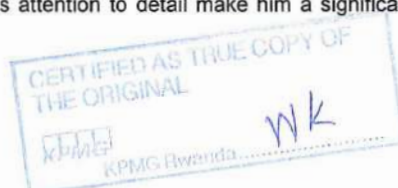
Ms. Julianne K. Kayonga
Director

Ms. Julianne K. Kayonga is a distinguished expert in agribusiness, possessing over two decades of specialized experience in the coffee industry. She served as the Regional Manager for Africa at Starbucks for 16 years. Currently, she is the founder and operator of Cafe Collective Ltd., a coffee business dedicated to promoting quality coffee production and export.

Julianne chairs the Board of Directors for Horizon Sopyrwa Company in Rwanda and also serves as the Chairperson of the Board of Directors for Pytech in Tanzania. Her extensive experience includes working with international organizations, such as USAID-Rwanda and ACDI/VOCA, where she contributed to various initiatives aimed at strengthening the country's agricultural exports and promoting food security. She holds a master's degree in Natural Resources Development from Texas A&M University, along with a Certificate of Advanced International Affairs from the Bush School of Government and Public Service at Texas A&M University. She also earned a bachelor's degree in law from the University of Rwanda.

Dr. James Ndahiro
Director

Dr. James Ndahiro was appointed and joined the Board of Directors in November 2023. He brings extensive experience in finance, governance, and development. He spearheaded the establishment of the Rwanda Stock Exchange and currently serves as Technical Advisor to the Government of Rwanda through the Ministry of Finance to support the development of the capital markets. He also championed East African integration efforts during his time in the East African Legislative Assembly. A committed advocate for Alternative Dispute Resolution (ADR), Dr. Ndahiro promotes its use within the Rwandan Judiciary. Despite visual impairment, his leadership, innovative thinking, and meticulous attention to detail make him a significant asset to Rwanda's progress.



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CORPORATE INFORMATION (Continued)

Ms. Eugenia Kayitesi

Director

Ms. Eugenia is the Executive Director of the Institute of Policy Analysis and Research (IPAR Rwanda) since February, 2014. She previously worked with the Commercial Bank of Rwanda for a period of 10 years where she held different roles, including but not limited to, Credit Analyst, Credit Manager, Compliance and Board Support Officer, and a Risk Management Manager. She is an Honors Graduate of Social Sciences from Makerere University, and has an MBA from Maastricht School of Management, Netherlands and is currently pursuing a PhD degree in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology. Eugenia also holds professional development certificates in Risk Management in Banking from Stockholm (Sweden) and School of Finance and Banking Kigali Rwanda. She serves as an advisory Board member of African Portal a research repository and an expert analysis hub on African Affairs based in South Africa and sits on the National Independent Review Panel (NIRP) for the Rwanda Public Procurement

Authority (RPPA). Eugenia has featured in Regional and International workshops and Conferences both as a participant and a panelist.

Mr. Deogratius Kamurase

Director

Mr. Deogratius Kamurase is the Founder and Managing Director of Business Dynamic Consult Ltd, a Business and Investment Advisory Firm. Prior to Setting up the Firm,

Deogratius served as Rwanda Country Manager of One & Only Resorts, with an overall responsibility to manage the implementation, operation and management of all Kerzner managed properties located in Rwanda. He is a resourceful, forward-thinking Business management professional, offering 18 years of professional leadership experience in various business portfolios. He possesses broad knowledge in stakeholder management with a proven track record in project execution including setting goals to ensure complete sustainable solutions for stakeholders. Deo has a proven record in advising, collaborating with strong partnerships across various spectrums of business and as such take clear responsibility in establishing strong competitive environments to ensure best value performance for the benefit of all stakeholders. With leadership and managerial experience gained over time, Deo aspires to continue broadening his skills at leading critical high valued projects, while adhering to implementing and executing cost-effective policies resulting in significant bottom-line performance with Deo holds a bachelor's degree in Business administration (Makerere University) and an MBA in Finance from University of Wales Cardiff. He has also served on boards of a number of companies within telecommunication, Banking, Tourism and Hospitality sectors.

Hon. Abdirahin Haithar Abdi

Director

Hon. Abdi served as the speaker of the East African Legislative Assembly (2007 to 2012), having been a member of the assembly from 2001. He was instrumental in significantly influencing legislative, oversight and representation activities of the assembly charged with fostering regional integration. Hon. Abdi holds a BSc degree in Business Administration (Finance), has been accorded Presidential awards and international appointments in legislative roles for his distinguished service to the Nation of Kenya and the East African Region. He is a seasoned businessman with multi-sectoral experience gained from the private and public sectors and holds Directorships in various companies.

Maurice Toroitich

Managing Director

Maurice is a career banker with three decades of experience, including 15 years at executive level. He previously served as founding CEO of KCB Bank in Rwanda and later as Managing Director of BPR Bank Rwanda. Maurice's leadership style is defined by robust stakeholder engagement and an unwavering commitment to risk management and good governance. He holds an MBA from Strathmore University and a bachelor's degree in commerce from the University of Nairobi. He is a Certified Public Accountant, an Associate of the Chartered Institute of Bankers and also a certified Executive Coach.

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Directors' Report for the year ended 31 December 2025

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

PRINCIPAL ACTIVITIES

The Bank is engaged in the business of banking and the provision of related services.

RESULTS

The results for the year are set out on page 11.

DIVIDEND

The Directors do not recommend the payment of a dividend for the year 2025 (2024: Nil).

DIRECTORS

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

AUDITOR

The auditor, KPMG Rwanda Limited, was appointed in 2025 in accordance with Regulation N°14/2017 of 23/11/2017 on accreditation and other requirements for external auditors of banks, insurers and insurance brokers and has expressed their willingness to continue in office.

BY ORDER OF THE BOARD



Company Secretary

Date: 19/03/2026



**NCBA BANK RWANDA PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
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Statement of Directors' Responsibilities for the year ended 31 December 2025

The Directors are responsible for the preparation of financial statements that give a true and fair view of NCBA Bank (Rwanda) plc which comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 and Regulation No. 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by Banks in Rwanda.

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

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

The independent auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the IFRS® Accounting Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 (the Rwandan Companies Act) and Regulation No. 28/2019 of 09/09/2019 on publication of financial statements and other disclosures by Banks in Rwanda.

Approval of the financial statements

The accompanying financial statements were approved and authorized for issue by the Board of Directors on 19 March 2026 and signed on its behalf by



Amb. Dr. Benjamin M. Rugangazi
Director



Mr. Maurice Toroitich
Managing Director

Date:

19/03/2026





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Independent auditor's report

To the members of NCBA Bank Rwanda Plc
Report on the Audited financial statements

Opinion

We have audited the financial statements of NCBA Bank Rwanda Plc ("the Bank"), set out on pages 11 to 73 which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, as applicable to audits of financial statements of public interest entities in Rwanda and we have also fulfilled our other ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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



KPMG Rwanda Ltd. is a limited liability company in Rwanda and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Directors

S. Ineget
 W. Kaindi
 B. Ndung'u
 J. Ndunyu
 A. Nekuse



Independent auditor's report

To the members of NCBA Bank Rwanda Plc (continued)

Report on the Audited financial statements (continued)

Key audit matter	How the matter was addressed in our audit
Expected credit losses on loans and advances to customers Refer to Note 3 (Financial risk management), Note 4.b (Impairment losses on financial assets at amortized costs), Note 7 (Impairment reversal/(losses) and Note 16 (Customer Loans and advances) of the financial statements	

As at 31 December 2025, the Bank had loans and advances to customers with gross amount of Frw 131.5 billion, with the total expected credit losses amounted to Frw 4.8 billion as at 31 December 2025.

The measurement of the expected credit losses for loans and advances to customers under IFRS 9 Financial Instruments (IFRS 9), involves significant management judgement and estimation uncertainty. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Bank's determination of expected credit losses on loans and advances to customers are:

- The determination of expected credit losses ("ECL"), including the assessment of whether there has been a significant increase in credit risk ("SICR") since initial recognition, which determines whether a 12 month or lifetime ECL is recognized;
- The determination of the Bank's definition of default and cure criteria;
- The development and probability weighting of forward-looking macroeconomic scenarios used in the ECL models, by incorporating key economic variables such as the Consumer Price Index (CPI), Average Consumer Lending Rate, 91-day Treasury Bill rate and Repo rate; and
- The estimation of key model inputs, including probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), across the Bank's retail and corporate loan portfolios.

Due to the significance of loans and advances to customers, together with the complexity of the ECL models and the degree of judgement and estimation uncertainty involved, this was considered to be a key audit matter in our audit of the financial statements.

Our audit procedures in this area included:

—We obtained an understanding of the Bank's credit risk management and ECL estimation processes, including evaluating the design, implementation and operating effectiveness of key controls over loan origination, credit risk monitoring, staging and determination of ECL.

—We assessed the PD modelling, by evaluating management's methodology and re performed calculations based on historical days past due information to assess the reasonableness of the PDs applied. This involved obtaining historical delinquency and transition information from the Bank's core banking system, independently reconstructing PD rates from this data, and comparing our recalculated PDs with those applied by management to assess whether the PDs used in the ECL model were reasonable.

—Performed a retrospective review of the estimate and evaluated the results to identify and assess the predictive capability of the ECL model.

—On a sample basis, for a sample of credit facilities, re performed the ECL calculations using the parameters LGD, and EAD and comparing the results with the final audited ECL results.

With assistance of our financial risk management specialist:

—We assessed the appropriateness of the Bank's methodology for determining the economic scenarios and other management overlays by evaluating key economic variables including CPI, Average Consumer Lending Rate, 91-day T-Bill rate and Repo rate.

—We assessed the reasonableness of the macro-economic assumptions incorporated into the ECL model by comparing the Bank's selected macro-economic variables to historical bank and market trends, as well as to externally available information.

—We challenged the appropriateness of key inputs and assumptions used in the ECL models by evaluating whether the Bank's SICR determination is in line with IFRS 9 by assessing the qualitative and quantitative factors used by management in their evaluation of the staging criteria. This included re-aging loans on a sample basis for quantitative factors and inspecting a sample of credit files to assess if there any qualitative aspects that indicated that there was any SICR.

—We evaluated the adequacy of the ECL disclosures in the financial statements in accordance with the requirements of IFRS 7, Financial Instruments: Disclosures and IFRS 9.



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Independent auditor's report

To the members of NCBA Bank Rwanda Plc (continued)

Report on the Audited financial statements (continued)

Other matter relating to comparative information

The financial statements of the Bank as at and for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 March 2025.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the *NCBA Bank Rwanda Plc annual report and audited financial statements for the year ended 31 December 2025* but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the *NCBA Bank Rwanda Plc annual report and audited financial statements for the year ended 31 December 2025*, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

Directors' responsibilities for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 and Regulation No. 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.





Independent auditor's report

To the members of NCBA Bank Rwanda Plc (continued)

Report on the Audited financial statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023, we report to you solely based on our audit of the financial statements, that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- Proper accounting records have been kept by the Bank, so far as it appears from our examination.
- We have no relationship, interest, or debt with the NCBA Bank Rwanda Plc. As indicated in our report on the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) which includes comprehensive independence and other requirements.
- We have reported internal control matters together with our recommendations to management in a separate management letter.
- According to the best of the information and the explanations given to us as the auditor, as shown by the accounting and other documents of the Bank, the annual accounts comply with Article 123 and Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

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


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

Date: 31 March 2026



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**NCBA BANK RWANDA PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENT
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2025**

	Notes	2025 Frw 000	2024 Frw 000
Interest income*	5	32,295,622	31,454,624
Interest expense*	6	(7,658,077)	(8,280,933)
Other interests and similar expense	6.b	(431,260)	(390,854)
Net interest income		24,206,285	22,782,837
Fee and commission income	8	1,236,341	1,236,426
Fee and commission expenses	8	(69,794)	(190,031)
Net fee and commission income		1,166,547	1,046,395
Foreign exchange income	9	1,743,254	2,796,130
Other income	10	212,895	5,426
Net Operating income		27,328,981	26,630,788
Operating expenses	11(a)	(16,918,052)	(14,622,135)
Operating profit before impairment		10,410,929	12,008,653
Impairment reversal/ (losses)	7	1,846,876	(4,670,777)
Profit before income tax		12,257,805	7,337,876
Income tax expense	12	(3,775,008)	(2,127,591)
Profit for the year		8,482,797	5,210,285
Other Comprehensive Income		-	-
Total Comprehensive income for the year		8,482,797	5,210,285

*Interest income and interest expense were calculated using the effective interest rate method.

The notes set out on pages 15 to 73 form an integral part of this financial statement.



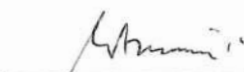
NCBA BANK RWANDA PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

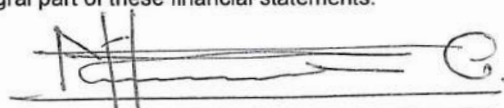
	Notes	2025 Frw 000	2024 Frw 000
ASSETS			
Cash and balances with National Bank of Rwanda	13	20,527,310	13,692,444
Due from banking institutions	14	59,756,750	53,491,356
Government securities at amortized cost	15	48,328,114	41,412,640
Customer loans and advances	16	126,753,274	94,731,015
Current tax asset	25(b)	-	928,113
Right of use asset	20	6,428,576	4,362,158
Property and equipment	18	5,366,618	3,649,139
Intangible assets	19	236,619	559,126
Deferred tax assets	25(a)	1,928,588	482,534
Other assets	17	29,271,047	13,935,370
Total assets		298,596,896	227,243,895
LIABILITIES			
Customer deposits	21	183,497,597	164,364,322
Balances due to banks	22	36,763,778	-
Due to Group companies	23	2,568,114	629,537
Borrowed funds	27	13,992,963	15,416,036
Current tax liabilities	25(b)	3,698,413	-
Lease liability	26	6,579,683	3,979,200
Other liabilities	24	7,191,540	7,032,789
Total liabilities		254,292,088	191,421,884
SHAREHOLDERS' EQUITY			
Share capital	28	30,399,604	30,399,604
Retained earnings		13,905,204	5,422,407
Total shareholders' equity		44,304,808	35,822,011
Total liabilities and shareholders' equity		298,596,896	227,243,895

The financial statements on pages 11 to 73 were approved by the Board of Directors on 19 March 2026 and signed on its behalf by:

The notes set out on pages 15 to 73 form an integral part of these financial statements.



 Director



 Managing Director



**NCBA BANK RWANDA PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENT
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital Frw 000	Retained Earnings Frw 000	Total Frw 000
2025			
At 01 January	30,399,604	5,422,407	35,822,011
Profit for the year	-	8,482,797	8,482,797
At 31 December	30,399,604	13,905,204	44,304,808
2024			
At 01 January	30,399,604	212,122	30,611,726
Profit for the year	-	5,210,285	5,210,285
At 31 December	30,399,604	5,422,407	35,822,011

The notes set out on pages 15 to 73 form an integral part of these financial statements.



NCBA BANK RWANDA PLC
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Frw 000	2024 Frw 000
Profit before tax		12,257,805	7,337,876
Amortization of software	19	299,747	308,321
Depreciation of right of use asset	20	776,718	564,840
Net exchange from foreign exchange translation	9	4,310	(7,938)
Depreciation charge of property and equipment	18	900,154	568,711
Interest on lease liability	26	431,260	390,854
Finance costs on borrowings	27	79,543	479,918
Impairment losses	7	1,630,509	4,670,777
Other Adjustments		181,010	144,875
Cash flows before changes in assets and liabilities		16,561,056	14,458,234
Changes in operating assets and liabilities			
(Decrease)/(Increase) in balances due from other banks		36,763,778	(24,206,683)
(Increase)/Decrease in loans and advances	16 (b)	(33,612,798)	15,064,840
Increase in other assets		(15,335,677)	(5,126,728)
Increase in customer deposits		19,133,275	24,572,869
Increase in other liabilities		158,751	4,645,569
Increase/(Decrease) in balances due to group companies		1,938,577	(13,516)
Cash generated from operations after changes in operating assets and liabilities		25,606,962	29,394,585
Income tax paid	25(b)	(594,536)	(3,069,442)
Net cash generated from operating activities		25,012,426	26,325,143
Cash flows from investing activities			
Purchase of government securities	15	(8,073,510)	(29,140,021)
Proceeds from mature government securities	15	1,118,066	21,973,102
Purchase of property and equipment	18	(2,739,152)	(1,532,517)
Purchase of Intangibles asset	19	(26,400)	-
Net cash used in investing activities		(9,720,996)	(8,699,436)
Cash flows from financing activities			
Proceeds from Borrowings		-	1,000,000
Principle amount repaid on Borrowings		(964,231)	(1,854,170)
Interest paid on borrowings	26	(538,385)	(420,430)
Principal lease payments	27	(564,481)	(592,493)
Interest lease payments	27	(119,763)	(390,854)
Net cash flows from financing activities		(2,186,860)	(2,257,947)
Increase in cash and cash equivalents			
Effects of exchange rate fluctuations on cash and cash equivalents held		(4,310)	7,938
Increase in cash and cash equivalents during the year		13,104,570	15,354,583
Cash and cash equivalents at start of year		67,183,800	51,821,279
Cash and cash equivalents at end of year	14(b)	80,284,060	67,183,800

The notes set out on pages 15 to 73 form an integral part of these financial statement



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NCBA BANK RWANDA PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
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1. REPORTING ENTITY

NCBA Bank Rwanda Plc is a limited liability company incorporated in Rwanda under Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 (the Rwandan Companies Act) modified to date and is domiciled in Rwanda.

The Bank is a financial institution licensed to provide corporate and retail banking services to corporate, small and medium size enterprises and retail customers in various parts of Rwanda.

The Bank has its registered office at:
Kigali Heights,
Plot No. 772.
P. O. Box 6774, Kigali - Rwanda.

2. MATERIAL ACCOUNTING POLICIES

2.1. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with IFRS

The financial statements have been prepared in compliance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee of the IASB (IFRS IC) applicable to companies reporting under IFRS and Regulation No. 28/2019 of 09/09/2019 on Publication by Banks of Financial Statements and Other Disclosures.

(ii) Basis of measurement

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Rwandan Francs (FRW), rounded to the nearest thousand. (FRW '000')

(iii) Going concern

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

2.1.1. Use of Estimate and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Directors to exercise judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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



**NCBA BANK RWANDA PLC
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
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2. MATERIAL ACCOUNTING POLICIES(Continued)

2.1 Basis of preparation (continued)

2.1.1 Use of estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant use of judgment and estimates are as follows:

2.2. Critical judgements in applying the Bank's accounting policies

Income taxes

The Bank is subject to income tax legislation in Rwanda. The determination of current and deferred income taxes requires significant judgement and the use of estimates, particularly where the tax treatment of transactions may be uncertain.

In interpreting and applying tax laws, differences in interpretation may arise and disputes with tax authorities may occur, the outcome of which may not be favourable to the Bank. In assessing such matters, the Bank relies on internal expertise and, where appropriate, external professional advice to determine whether an unfavourable outcome is probable or possible.

Current and deferred tax

Income tax expense comprises current and deferred tax, calculated in accordance with IAS 12. Current tax represents the amount of income taxes payable (or recoverable) in respect of taxable profit (or tax loss) for the period, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, as well as for unused tax losses and unused tax credits, using tax rates expected to apply when the temporary differences reverse.

Uncertain tax treatments

Judgement is required in identifying and evaluating uncertain tax positions. An uncertain tax position arises where the tax treatment of an item is unclear under applicable tax law and there is uncertainty whether the tax authority will accept that treatment. The Bank applies IAS 12 together with IFRIC 23 Uncertainty over Income Tax Treatments in assessing such matters.

The Bank assesses whether it is probable that the tax authority will accept the tax treatment adopted. This assessment assumes that the tax authority examines the Bank's tax filings and has full knowledge of all relevant information.

Where the Bank concludes that acceptance by the tax authority is not probable, it reflects the effect of the uncertainty in determining taxable profit or loss, tax bases, unused tax losses and credits, and applicable tax rates. The effect of uncertainty is measured using either the most likely amount method or the expected value method, depending on which better predicts the outcome.

Recognition and measurement

If it is probable that additional tax will be payable, the Bank recognises a corresponding current tax liability or adjusts related deferred tax balances. Changes in judgement or new information are recognised in the period in which they arise. Any differences between the amounts initially recognised and the final tax determination are recognised in the period in which the tax authority's decision is made.

Where an outflow of economic benefits in respect of an uncertain tax position is possible but not probable, the Bank discloses the exposure as a contingent liability, in accordance with the disclosure requirements of IAS 1 and IAS 12.

Refer to Notes 12 and 25 for details of current and deferred tax balances.



**NCBA BANK RWANDA PLC
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2.MATERIAL ACCOUNTING POLICIES(Continued)

2.2 Use of estimates and judgments (continued)

Lease term

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

The bank applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the bank's business planning cycle of two to three years and past history of terminating/not renewing leases.

Management has made an assessment and noted that assumptions on lease term that were made on adoption are still relevant hence no changes to the assumptions were made during the period.

The carrying amounts of the assets subject to the above estimation uncertainty are disclosed in their respective notes to the financial statements (Notes 16, 15, 18, 19, 20, and 25)."

2.3 Changes in accounting policies and disclosures (continued)

Standards, amendments and interpretations to existing standards that are effective in the year (Continued)

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates.

The amendment is effective for annual periods beginning on or after 1 January 2025.

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction.

However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.

Although few jurisdictions are affected by this, it can have a significant accounting impact for those companies affected.

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability.

New disclosure requirements

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The adoption of the amendment did not have an impact on the financial statements of the Bank.



NCBA BANK RWANDA PLC
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2. Material accounting policies (continued)

2.3. Changes in accounting policies and disclosures (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Bank

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are listed below:

New standards or amendments	Effective for annual period beginning on or after
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure	1 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to: - IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>. - IFRS 7 <i>Financial Instruments: Disclosures</i> and its accompanying <i>Guidance on implementing IFRS 7</i>. - IFRS 9 <i>Financial Instruments</i>. - IFRS 10 <i>Consolidated Financial Statements</i>; and - IAS 7 <i>Statement of Cash flows</i>	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS for SMES third edition*	1 January 2027
Translation to a Hyperinflationary Presentation currency - Amendments to IAS 21	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures**	To be determined

Amendments to IFRS 9 and IFRS 7 -Classification and Measurement of Financial Instruments

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

Key requirements

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments terms that requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income
- The publication of the amendments concludes the classification and measurement phase of the IASB's post implementation review (PIR) of IFRS 9 Financial Instruments. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.
- The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Bank.



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2. Material accounting policies (continued)

2.3 Changes in accounting policies and disclosures (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Bank (continued)

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11.

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge Accounting by a First-time Adopter Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 7 Financial Instruments: Disclosures	Gain or Loss on Derecognition The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement Measurement An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Introduction The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Disclosure of Deferred Difference between Fair Value and Transaction Price Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Credit Risk Disclosures Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
IFRS 9 Financial Instruments	Transaction Price Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 10 Consolidated Financial Statements	Determination of a 'De Facto Agent' Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IAS 7 Statement of Cash Flows	Cost Method Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

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2. Material accounting policies (continued)

2.3 Changes in accounting policies and disclosures (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Bank (continued)

Amendments to IFRS 9 and IFRS 7- Contracts Referencing Nature-dependent Electricity

The amendment is effective for annual periods beginning on or after 1 January 2026.

The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Bank.

IFRS 18 – Presentation and Disclosure in Financial Statements

The standard is effective for annual periods beginning on or after 1 January 2027.

IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Management-defined performance measures

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Bank.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The standard is effective for annual periods beginning on or after 1 January 2027.

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.



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2. Material accounting policies (continued)

2.3 Changes in accounting policies and disclosures (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Bank (continued)

IFRS 19 - Subsidiaries without Public Accountability: Disclosures (Continued)

An entity applying to IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

An entity may elect to apply for IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10.
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards

An entity is required, during the first period (annual and interim) in which it applies, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise.

The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Bank.

Amendments to IFRS 10 and IAS 28-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalized its research project on the equity method.

The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Bank



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2. Material accounting policies (continued)

2.3 Changes in accounting policies and disclosures (continued)

Standards, amendments and interpretations to existing standards that are effective in the year (Continued)

(vi) Interest income and expense recognition

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

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

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised because of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date on which amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information.

In its Interest income/expense calculated using the effective interest method, the Bank only includes interest on those financial instruments set out on note 5.

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

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

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



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2. Material accounting policies (continued)

2.3 Changes in accounting policies and disclosures (continued)

(vii). Fees and Commission income

Disaggregation of Revenue

Fees and commission income comprises revenue earned from banking services, including transactional services, account maintenance, and fees on bills, letters of credit, guarantees, and advisory services. Fee and commission income that is integral to the effective interest rate on financial assets or liabilities is included in the effective interest rate. Other fees and commission income are recognized as the Bank satisfies its performance obligations under the service contracts related to it. Loan syndication fees are recognized when the syndication is completed and the Bank has retained no part of the loan package for itself or retains a part at the same effective interest rate as other participants.

Contract Balances

Contract assets arise when revenue has been earned but not yet billed, and contract liabilities arise when fees are received in advance of services. Loan commitment fees for loans that are likely to be drawn down are deferred, together with related direct costs, and recognized as an adjustment to the effective interest rate. Loan commitment fees for commitments not expected to result in draw-down are recognized on a straight-line basis over the commitment period.

Performance Obligations and Revenue Recognition Policies

The Bank recognizes revenue when control over a service is transferred to the customer. Commission and fees arising from negotiating or participating in a transaction for a third party, such as the arrangement of acquisitions of shares or other securities, or the purchase or sale of businesses, are recognized on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognized over time, usually on a time-proportionate basis, with performance-linked fees recognized when the performance criteria are met. Fee and commission expense represents costs incurred in earning fee and commission income. Fee and commission are disclosed under note 8

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

Type of Service	Obligations, including Significant Payment Terms	Revenue Recognition Policies under IFRS 15
Retail and Corporate Banking Services	The bank provides account management, overdraft facilities, foreign currency transactions, credit card services, and servicing fees. Fees for ongoing account management are charged monthly. Transaction-based fees are charged when the transaction occurs. Servicing fees are charged monthly based on fixed rates reviewed annually.	Revenue is recognized when the related service is performed. Transaction-based fees are recognized at the point in time the transaction occurs, and ongoing service fees are recognized over time as services are provided.
Investment Banking Services	The bank provides loan administration, agency services, loan syndication administration, execution of client transactions with exchanges, and securities underwriting. Fees for ongoing services are charged annually, with adjustments if a customer terminates the contract before year-end. Transaction-based fees are charged when the transaction takes place.	Revenue is recognized over time for ongoing services and at a point in time for transaction-based fees, when control of the service is transferred to the customer. Loan syndication fees are recognized when the syndication is completed, and the Bank retains no part of the package or retains a part at the same effective interest rate as other participants.

(viii). Other income

Other income comprises bid submission fees received as part of the procurement process and uncollected card transaction balances. Where such amounts remain unclaimed for more than 180 days, they are recognized in profit or loss as income of the Bank.



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2. Material accounting policies (continued)

2.4. Financial assets

Recognition and subsequent measurement

The Bank recognises a financial asset when it becomes party to the contractual terms of the instrument. All financial assets are initially measured at fair value plus directly attributable transaction costs.

Classification

The Bank's financial assets are classified solely as financial assets measured at amortised cost, as the Bank's business model is to hold these assets to collect contractual cash flows and these cash flows represent solely payments of principal and interest ("SPPI").

The Bank does not hold:

- financial assets measured at fair value through profit or loss (FVTPL);
- financial assets measured at fair value through other comprehensive income (FVTOCI); or
- derivative financial instruments.

Accordingly, policies relating to these categories are not presented.

Subsequent Measurement – Amortised Cost

Financial assets measured at amortised cost are subsequently carried at their initial recognition amount adjusted for principal repayments, interest accruals, and loss allowances for expected credit losses. Interest income is recognised using the effective interest rate method.

Assessment of SPPI Characteristics

At initial recognition, the Bank assesses whether the contractual terms of a financial asset give rise to cash flows representing solely payments of principal and interest. Only assets that meet this criterion are classified at amortised cost.

Modification of loans

The Bank may sometimes renegotiate or otherwise modify the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in interest rate; and
- Change in the currency of the loan - Insertion of collateral, other security or credit enhancement that significantly affects the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognizes the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

Before renegotiation, the Bank assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on de-recognition.

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

	2025 Frw' 000	2024 Frw' 000
At 31 December		
Financial assets modified during the period		
Amortised cost before modification	303,405	44,164
Net Modification gain	4,138	(8,576)
Financial assets modified since initial recognition		
Gross carrying amount of financial assets previously modified for which loss allowance changed during the period from lifetime ECL to 12-month ECL	8,576	740

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2. Material accounting policies (continued)

2.4. Financial assets (Continued)

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

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

- i. Has no obligation to make payments unless it collects equivalent amounts from the assets.
- ii. Is prohibited from selling or pledging the assets; and
- iii. Has an obligation to remit any cash it collects from assets without material delays.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognized when cash is received and are included in 'impairment losses on financial instruments in the statement of profit or loss and OCI.

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

Derecognition other than on a modification

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

2.5 Financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost, except for:

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

The Bank's holding in financial liabilities comprises mainly of borrowings, deposits from Banks and customers, balances due to Bank companies and other liabilities. Such financial liabilities are initially recognized at fair value, generally being their issue proceeds, net of directly attributable transaction costs incurred. They are subsequently measured at amortized cost and interest is recognized using the effective interest method.

Derecognition and financial liabilities

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

Modification of financial liabilities

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortized cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original Effective Interest Rate. Any resulting difference is recognized immediately in profit or loss.

For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.



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2. Material accounting policies (continued)

2.5. Financial liabilities (continued)

Financial guarantee contracts and loan commitments

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

The Bank has elected to apply IFRS 9 to all financial guarantee contracts issued. The Bank has not elected to apply IFRS 17 to such contracts. This accounting policy choice is made on an instrument-by-instrument basis and is irrevocable upon initial recognition.

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

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

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to providing loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument, other than for staff facilities. For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognized together with the loss allowance for the loan to the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized as provision.

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

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

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand; deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, unrestricted balance in current accounts with National Bank of Rwanda and amounts due from banks and government securities on demand or with an original maturity of three months or less, net of amounts due to banks and other financial institutions.

2.7. Property and equipment

Property and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of these assets.

Costs incurred in the process of acquiring or constructing an item of property and equipment are recognized as capital work in progress. Once acquisition or construction is complete and the item is ready for use, the carrying amount is transferred to the relevant property and equipment category. Depreciation commences when the item of property or equipment is available for use.

Depreciation is calculated on a straight-line basis at annual rates estimated to write off the cost of each asset to its residual value over its expected useful life as follows:

Buildings and improvements on leasehold land	- lesser of 40 years and the unexpired period of lease
Equipment, furniture and fittings	- 3 to 8 years
Motor vehicles	- 4 years

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

Property and equipment are reviewed for impairment on an annual basis when there is an indication of impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount. An impairment loss is recognized 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 purpose of assessing impairment, assets are Banked at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains or losses on disposal of property and equipment are determined by comparing proceeds with carrying amount and are taken into account in determining operating profit.



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2. Material accounting policies (continued)

2.8. Intangible assets

Intangible assets comprise acquired computer software license costs which are recognized on the basis of expenditure incurred to acquire and bring the specific software to use. These costs are amortized over estimated useful lives of three to ten years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Bank, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. During development of these software products, direct costs such as the software development employee costs and an appropriate portion of relevant overheads are recorded as work in progress and amortized from the point at which the asset is ready for use.

Computer software development costs recognized as assets are amortized over an estimated useful life of three to eight years. Costs associated with the maintenance of computer software are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized based on the expected useful lives.

2.9. Provisions and contingent liabilities

Provisions for legal claims are recognized when the bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events, or present obligations arising from past events that are not recognized because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognized but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote.

2.10 . Employee benefits

Short-term employee benefits

Short-term employee benefits are those expected to be settled wholly within twelve months after the end of the reporting period during which the employee services are rendered, excluding termination benefits such as wages and salaries. The estimated monetary liability for employees accrued annual leave at the reporting date is recognized as an expense accrual.

Retirement benefit obligations

The Bank operates defined contribution schemes, the assets of which are held in separate trustee-administered funds and funded by contributions from both the Bank and employees. Both the Bank and its employees also contribute to the National Social Security Fund, which is a defined contribution scheme. Contributions to these schemes are charged to profit or loss in the year to which they relate. In addition, the estimated monetary liability for employees accrued annual leave entitlement at the reporting date is recognized as an expense accrual.

2.11. Income tax expense

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In which case, the tax is recognized in other comprehensive income or directly in equity respectively.

Current income tax

The current income tax charge is calculated on the basis of tax laws applicable at the reporting date. The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



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2. Material accounting policies (continued)

2.12. Deferred income tax

Deferred tax is recognized on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination, and which affects neither accounting nor taxable profit. It is also not recognized for temporary differences related to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future and the investor is able to control the timing of the reversal of the temporary difference.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws applicable at the reporting date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

In determining the amount of current and deferred tax, the Bank considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Bank to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

2.13. Leases

i) Bank as Lessee

The Bank recognizes a lease liability at the present value of lease payments not yet paid. Lease payments include fixed payments, variable payments that depend on an index or rate, amounts expected under residual value guarantees, and the exercise price of a purchase option if the Bank is reasonably certain to exercise that option. Lease payments are discounted using the interest rate implicit in the lease; if this cannot be readily determined, the Bank's incremental borrowing rate is used. For leases containing non-lease components, consideration payable is allocated between lease and non-lease components based on their relative stand-alone prices.

The right-of-use asset is initially measured at cost, comprising the initial lease liability, any lease payments made on or before the commencement date, initial direct costs incurred, and an estimate of restoration costs for the underlying asset as required under the lease.

Subsequently, the lease liability is measured at amortized cost, subject to re-measurement for reassessments, modifications, or changes in fixed lease payments. Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, adjusted for any re-measurement of lease liabilities. Depreciation is charged on a straight-line basis over the asset's estimated useful life. If ownership is expected to transfer to the Bank at the end of the lease, the useful life does not exceed the lease term.

For leases with a term of 12 months or less, or leases of low-value assets, total lease payments are recognized in profit or loss on a straight-line basis over the lease term.

2.14. Assets obtained by taking possession of collateral

The Bank's policy is to realize collateral on a timely basis to recover outstanding debt. Collateral used by the Bank generally includes cash, property, and other tangible assets.

In its normal course of business, the Bank engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

As at the reporting date, the Bank holds RWF 3.8 billion in repossessed assets, classified as non-financial assets. These assets are generally sold at auction through external agents, with any surplus returned to the customers/obligors.



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2. Material accounting policies (continued)

2.15. Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared.

Proposed dividends are appropriated from retained earnings into a separate component of equity until they are declared. NCBA will not pay dividends in December 2025.

2.16. Share capital

Ordinary shares are classified as 'share capital' in equity.

2.17. Off balance sheet letters of credit, acceptances and guarantees

Letters of credit, acceptances and guarantees are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

To determine the ECL for off balance sheet assets, a credit conversion factor is applied to the undrawn amount to obtain the exposure. The Basel Committee's credit conversion factor was adopted for the off-balance sheet of the banks.

2.18. Comparatives

Comparative figures have been presented for consistency with the current period's presentation. No restatements were made.



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3. Financial risk management objectives and policies

The Bank's activities expose it to a variety of financial risks, including credit risk, interest rate risk, liquidity risk, and foreign currency risk. The Bank's overall risk management framework is designed to manage the unpredictability of financial markets and minimize potential adverse effects on its financial performance. Risk management policies are approved by the Board of Directors, which provides written principles for overall risk management as well as specific policies for credit risk, liquidity management, interest rate risk, foreign currency risk, and investment of surplus funds.

The Bank accepts deposits from customers at both fixed and floating rates and for various maturities. These funds are primarily invested in high-quality assets to earn interest margins while ensuring sufficient liquidity to meet customer obligations. The Bank manages interest rate risk by monitoring the repricing of assets and liabilities and maintaining an appropriate balance between short-term and long-term positions.

Credit risk arises from lending to commercial and retail customers and from commitments such as guarantees and letters of credit.

The Bank manages credit risk through robust credit assessment, monitoring, and provisioning processes. Foreign currency exposures arise mainly from customer transactions in foreign currencies. The Bank manages these risks by maintaining positions that are closely matched with its obligations and using approved hedging strategies where necessary.

The bank is exposed to credit risk, which is the risk that a counterparty may be unable to pay amounts in full, when due. The bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in respect of any borrower, or Banks of borrowers, and to industry segments. Such risks are monitored on a continuous basis and subject to annual or more frequent review. Limits on the level of credit risk by product, industry sector and by country are approved by the Board of Directors.

The exposure to any one borrower, including banks, is further restricted by sub-limits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as foreign exchange forward contracts. Actual exposures against set limits are monitored on a daily basis.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

Impairment provisions are recognized for future expected credit losses at the reporting date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration of the bank's portfolio, could result in losses that are different from those provided for at the reporting date. Directors therefore carefully manage the exposure to credit risk.

(i) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as customer loans and advances.

Documentary and commercial letters of credit, which are written undertaking by the bank on behalf of a customer authorizing a third party to draw drafts on the bank up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than customer loans and advances.

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3. Risk management framework (Continued)

a) Credit risk (Continued)

(i) Credit related commitments (Continued)

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

The amount that best represents the bank's maximum exposure to credit risk is the carrying value of its financial position. Loans and advances to customers are secured by collateral in the form of charges over land and buildings and/or plant and machinery or corporate guarantees and other collaterals accepted by the laws of the land. However, there are loans and advances to major corporations and individuals that are unsecured.

The Directors are confident in its ability to continue to control exposure of credit risk to the bank resulting from both its loan and advances portfolio and debt securities based on the following:

- The Company exercise stringent controls over the granting of new loans and receivables.
- 95% (2024: 89%) of the loans and advances portfolio are neither past due nor impaired.
- 96% (2024:100%) of the debt securities are government securities.

Government debt securities are financial instruments issued by sovereign government and include both long term bonds and short-term bills with fixed or floating rate interest payments, these securities are highly liquid and traded in active markets.

Customer Loans and advances

The bank aligns the classification criteria for assets that are past due or impaired in line with regulatory guidelines. In the determination of the classification of accounts, performance is the primary consideration. The classification of an account reflects a judgment about risks of default and loss associated with the credit facility. The classification process establishes a consistent approach to problem recognition, problem labeling, remedial action and the initiation of credit write-offs.

Expected credit loss measurement

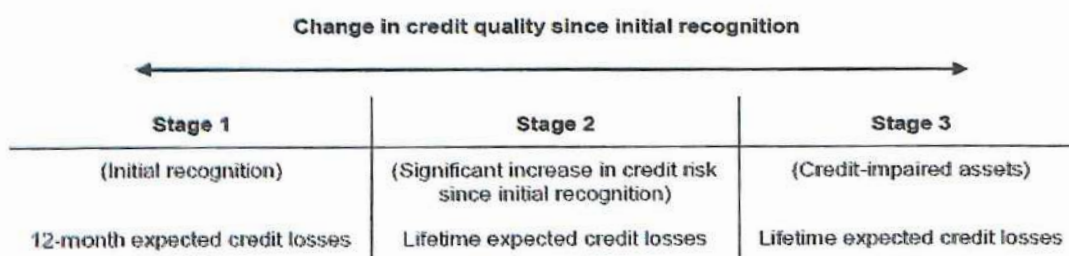
IFRS 9 outlines a 'three-Stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the bank.
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

3. Financial risk management objectives and policies (Continued)

Customer Loans and advances (continued)

The following diagram summarizes the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):


$$ECL = \sum_{i=1}^T PD_i \cdot LGD_i \cdot EAD_i \cdot D_i$$

- PD is probability of default which defines the likelihood that the borrower will default on its obligations when they come due within specific time.
- LGD is loss given default which defines the amount that the FI will lose in case a borrower defaults on its obligations.
- EAD is exposure at default which defines the exposure that will be at risk in case a borrower defaults on its obligations. This will include principle outstanding, accrued interest and future interest that the FI is expecting to receive during the lifetime of the contract.
- D is discount rate which can be computed as Effective Interest Rate (EIR) under GMM and Simplified approach or Credit-Adjusted Effective Interest Rate (CEIR) under POCI approach.

The estimation of ECL requires the use of key parameters, namely Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), which are derived using both historical data and forward-looking information.

Probability of Default (PD) represents the likelihood that a borrower will default on their contractual obligations over a specified time horizon. For the purpose of measuring Expected Credit Losses (ECL) under IFRS 9, the Bank applies an internal credit-risk rating framework that assigns each loan exposure to one of three IFRS 9 stages, depending on the level of credit risk observed.

The PD ranges used in the Bank's impairment model are calibrated using historical loss experience, internal borrower rating behaviour, forward-looking macroeconomic factors, and the Bank's credit risk management practices. These PD bands apply only to Loans and Advances to Customers, and not to investment securities.

Exposures are classified into IFRS 9 stages based on changes in credit risk since initial recognition:

- Stage 1 (Performing exposures): 12-month PD applied
- Stage 2 (Significant increase in credit risk): Lifetime PD applied
- Stage 3 (Credit-impaired): 100% PD applied

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3. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

Probability of Default (PD) (continued)

The PDs applied in measuring expected credit losses are summarised below.

Sector	PD Range	PD Range	PD Range
	Stage 1 – Performing	Stage 2 – SICR	Stage 3 -Default
Agriculture	1.90% – 1.90%	1.90% – 1.90%	100%
Building & Construction	4.84% – 7.36%	7.35% – 28.57%	100%
Hotel & Restaurant	1.90% – 1.90%	1.90% – 1.90%	100%
Manufacturing	1.90% – 2.80%	2.80% – 24.76%	100%
Other Activities	1.90% – 1.90%	1.75% – 75.06%	100%
Private	1.90% – 1.90%	1.31% – 9.96%	100%
Real Estate	1.90% – 1.90%	0.45% – 7.81%	100%
Telecommunication	1.90% – 1.90%	1.90% – 1.90%	100%
Trade & Commerce	1.90% – 1.90%	1.90% – 8.41%	100%
Transport	1.90% – 1.90%	0.36% – 25.26%	100%
Energy & Water	1.90% – 1.90%	1.80% – 1.90%	100%

Lifetime PD is derived using term structures that incorporate historical default emergence patterns and forward-looking macroeconomic information. The Bank calibrates lifetime PDs by combining observed historical transition behaviour with scenario-weighted macroeconomic forecasts (Base, Upside and Downside), ensuring that the resulting PD term structure reflects both how defaults have emerged in the past and how they are expected to evolve under future economic conditions.

Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including the realization of any collateral or credit enhancements that are integral to the loan and not required to be recognized separately. It is usually expressed as a percentage of the EAD.

LGD is applied to Stage 2 and Stage 3 drawn and to undrawn commitments when estimating the expected loss upon conversion.

Its main drivers are:

- Cash recoveries from defaulted exposures.
- Collateral recoveries and
- Cure rates, representing accounts returning to performing status.

The Bank considers the following inputs for computation of LGDs:

- Cure rates
- Recovery rates
- Discount collateral value

The Bank has considered cash collections for defaulted accounts across different reporting dates and segments. To arrive at recovery percentages, recoveries are discounted back to the point of default using the effective interest rate and compared against the total outstanding exposure in default at sector level.

For cure rate computation, the Bank has assessed movements of accounts from non performing status to watch or performing status in the subsequent quarter. The proportion of balances that have cured relative to the total outstanding balances for the period is determined at sector level to derive cure percentages.

Forward looking recovery rate and cure rates are derived using a transition matrix approach, consistent with the Probability of Default methodology, whereby historical transitions between credit states are analyzed and projected under varying economic conditions to derive the lifetime cure and recovery rate term structure.

Recovery and Cure Rates

Recovery and cure rates are determined at sector level based on historical observations and adjusted for forward-looking information using scenario-weighted macroeconomic assumptions



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3. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

Loss Given Default (continued)

Below are the recovery rates and cure rates used in the ECL calculation:

Sector	Cure Rate Range	Recovery Rate
Trade & Commerce	0.00% – 0.00%	7.21%
Transport	0.00% – 0.00%	0.00%
Energy and Water	0.00% – 0.00%	0.00%
Agriculture	0.00% – 9.58%	0.00%
Building & Construction	0.39%	0.00%
Hotel & Restaurant	0.00%	0.00%
Manufacturing	0.00%	0.00%
Other Activities	0.00% – 50.00%	0.00%
Private	0.00% – 31.13%	0.00%
Real Estate	0.00% – 19.16%	0.00%
Telecommunication	0.78%	0.00%

Collateral Valuation

Collateral values are incorporated after applying the following adjustments:

Parameter	Details
Haircuts	- Residential property: 70% - Commercial property: 50% - Vehicles, debentures and similar assets: 30%
Time to Realisation	0–3 years depending on asset type
Costs of Realisation	7.50%
Discounting	Collateral recoveries are discounted to present value using the effective interest rate

Exposure at default

EAD represents the expected exposure in the event of a default. Exposure at Default (EAD) represents the estimated exposure at the time a borrower defaults. It forms a key input into the Expected Credit Loss (ECL) model under IFRS 9, together with Probability of Default (PD) and Loss Given Default (LGD).

EAD reflects both on-balance sheet exposures and off-balance sheet commitments, adjusted for expected changes in exposure over the remaining life of the instrument.

On balance sheet exposures

For loans and advances, EAD is generally based on the gross carrying amount at the reporting date, adjusted for expected repayments over the remaining contractual life.

Loans and advances for facilities already in default under Stage 3, the exposure is taken as the current outstanding balance. For Stage 1 and Stage 2 facilities, the exposure is projected forward by applying the effective interest rate to capture accrued interest and then deducting expected contractual payments, creating a rolling balance that reflects how the exposure evolves over time.

Off-balance sheet exposures

For undrawn and contingent exposures, EAD is estimated using Credit Conversion Factors (CCFs), which represent the proportion of undrawn commitments expected to be utilised at the point of default.

The Bank applies CCFs that are aligned with regulatory guidance and internal historical utilisation patterns, consistent with principles outlined under the Basel framework. These factors are periodically reviewed to ensure they reflect observed borrower behaviour and current economic conditions.

The following CCFs have been applied in converting off-balance sheet exposures into EAD:

	Credit Conversion Factors
Bank Guarantee	100%
Bid Guarantee	20%
Business Overdraft	50%
Credit Cards	50%
Acceptances	20%
BOND	20%

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3. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, when it meets one or more of the following criteria:

• **Quantitative criteria**

The borrower is more than 90 days past due on its contractual payments.

• **Qualitative criteria**

In addition to the above, the Bank considers other qualitative factors in determining the classification above and may accelerate the classification of credit facilities where deemed appropriate. They include but not limited to:

-Significant changes in the terms of the same instrument if it were issued at the reporting date that indicate a change in credit risk since initial recognition, e.g.: increase in credit spread; more stringent covenants; increased amounts of collateral or guarantees; or higher income coverage.

-Significant changes in external market indicators of credit risk for the same financial instrument (or similar instrument of the borrower), e.g.: credit spread; credit default swap prices; length of time or the extent to which the fair value of a financial asset has been less than its amortized cost; other market information related to the borrower, such as changes in the price of a borrower's debt and equity instruments; or external credit rating (actual or expected).

-Changes in the Bank's credit management approach in relation to financial instruments such as enhanced monitoring, transfer to a watchlist, active engagement with the borrower, or other intervention measures—do not in themselves constitute default. However, such actions may reflect emerging indicators of increased credit risk and are therefore considered as part of the Bank's assessment of whether there has been a significant increase in credit risk since initial recognition. Where these indicators demonstrate a material deterioration in credit risk, the exposure is transferred from Stage 1 to Stage 2 and lifetime expected credit losses are recognized. Classification in Stage 3 occurs only when the exposure meets the Bank's definition of default.

-Actual or expected adverse changes in business, financial or economic conditions significantly affecting borrower's ability to meet its debt obligations (e.g. increase in interest rates or unemployment rates); operating results of the borrower e.g. declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organizational structure (such as the discontinuance of a segment of the business) that results in a significant change in the borrower's ability to meet its debt obligations; or regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations (e.g. a decline in the demand for the borrower's sales product because of a shift in technology).

-Forborne exposures are considered indicators of increased credit risk. While granting forbearance does not in itself constitute default, such exposures are generally classified in Stage 2 or Stage 3 depending on the level of credit deterioration and the likelihood of the borrower meeting its contractual obligations. Forborne exposures are measured on a lifetime expected credit loss basis and are subject to enhanced monitoring. Exposure may only return to Stage 1 where there is evidence of sustained improvement in credit risk and compliance with the modified contractual terms over a defined observation period.

Forward-looking information incorporated in the ECL models

NCBA Bank Rwanda Plc ("the Bank") incorporates forward-looking information into both the assessment of whether the credit risk of a financial instrument has increased significantly since initial recognition and the measurement of expected credit losses (ECL).

The Bank applies a forward-looking approach by developing three macroeconomic scenarios: a base case, which represents the most likely outcome, and two alternative scenarios representing upside and downside conditions. The base case is aligned with the Bank's internal planning and budgeting assumptions, while the alternative scenarios reflect reasonably possible deviations from expected economic conditions.

In determining these scenarios, the Bank considers both internal forecasts and external information, including macroeconomic data and projections published by the National Bank of Rwanda (BNR), National Institute of Statistics of Rwanda (NISR), and international financial institutions such as the International Monetary Fund (IMF) and the World Bank.



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3. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

Forward-looking information incorporated in the ECL models (Continued)

The Bank applies three forward-looking macroeconomic scenarios base case, upside and downside in estimating expected credit losses (ECL). Scenarios are developed using internal economic research supported by external data from NISR, BNR, the IMF and the World Bank. Each scenario reflects a coherent set of macroeconomic projections, including GDP growth, inflation, interest rates and exchange rates, which have been demonstrated to influence default rates and credit losses.

The base-case scenario represents management's most likely view of future economic conditions. The upside scenario reflects a potential improvement in economic outlook, while the downside scenario captures the impact of adverse macroeconomic developments.

Scenario weightings are determined through the Bank's governance process, taking into account current economic trends, macroeconomic uncertainty and historical patterns. These weightings are reviewed at least annually.

During the reporting period, no significant changes were made to the scenario framework or the probability weightings. Assumptions within each scenario were updated to reflect the latest available economic data and forecasts.

Scenario probability weightings applied in measuring ECL are as follows:

Scenario	Description	2025	2024
		Weight	Weight
Base case	Most likely outcome	50%	50%
Upside	Favourable economic conditions	30%	30%
Downside	Adverse macroeconomic conditions	20%	20%

The Bank identifies and monitors key macroeconomic drivers of credit risk and credit losses across its financial assets. Using historical data and internal modelling, the Bank establishes statistical relationships between macroeconomic variables and changes in default and loss behaviour.

For the Bank's portfolios, the key forward-looking drivers include GDP growth, inflation, lending interest rates, foreign exchange rates, household consumption, government revenue, money supply (M3), labour force trends and foreign exchange reserves.

The Bank estimates the impact of each key driver over an active forecast period of three to five years, after which macroeconomic assumptions revert towards long-term averages. This approach reflects the expected duration of credit exposures and the economic environment in which borrowers operate.

The base, upside and downside scenarios used in the ECL model reflect management's assessment of potential economic outcomes. Scenario assumptions represent year-on-year percentage changes for macroeconomic indicators such as GDP, inflation, lending rates and foreign exchange rates. These scenarios are updated regularly to reflect current economic conditions.



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3. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

Forward-looking information incorporated in the ECL models (Continued)

Forecasts are prepared up to the last maturity year of the active loans in the portfolio, which have an average remaining life of approximately five years. The table below sets out the macroeconomic assumptions applied in each scenario over this five-year forecast period.

Year	Nominal GDP	Real GDP	No of households	Exchange rate	Lending rate,	Money supply	Foreign reserves	Total revenue	household spendin	labour force	CPI
2026	8%	5%	2%	4%	14%	11%	6%	21%	9%	3%	5%
2027	7%	4%	2%	4%	14%	12%	6%	14%	9%	3%	5%
2028	7%	4%	2%	3%	14%	11%	6%	13%	9%	3%	4%
2029	8%	4%	2%	3%	14%	9%	6%	9%	9%	3%	4%
2030	8%	5%	2%	3%	14%	9%	6%	13%	9%	3%	4%
2031	8%	5%	2%	3%	14%	9%	6%	13%	9%	3%	4%
2032	8%	5%	2%	3%	14%	8%	6%	12%	9%	3%	4%
2033	8%	5%	2%	3%	14%	7%	6%	12%	9%	3%	4%
2034	8%	5%	2%	3%	14%	7%	6%	12%	9%	2%	4%
2035	8%	5%	2%	3%	16%	6%	104%	12%	9%	2%	4%

5 years Average	8%	4%	2%	3%	14%	10%	6%	14%	9%	3%	4%
Upside	10%	5%	3%	4%	18%	13%	8%	18%	12%	4%	5%
Base case	8%	4%	2%	3%	14%	10%	6%	14%	9%	3%	4%
Downside	6%	3%	2%	2%	11%	8%	5%	11%	7%	2%	3%

Sensitivity of ECL to future economic conditions

The ECL is sensitive to judgements and assumptions made regarding the formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The table below shows the loss allowance on loans and advances to customers assuming each forward-looking scenario (i.e., upside, base, and downside) were weighted 100%, instead of applying the scenario probability weights used in the financial statements. For ease of comparison, the table also includes the probability-weighted amount that is reflected in the financial statements.

As at 31 December 2025	Upside	Base case	Downside	Probability weighted
Gross exposure (Frw 000)	131,540,768	131,540,768	131,540,768	131,540,768
Loss allowance				
Total loss allowance (Frw 000)	(5,122,619)	(4,787,494)	(4,117,245)	(4,675,786)
Proportion of assets in Stage 2				
Total portfolio	7%	9%	14%	10%
As at 31 December 2024	Upside	Base case	Downside	Probability weighted
Gross exposure (Frw 000)	91,887,722	91,887,722	91,887,722	91,887,722
Loss allowance				
Total loss allowance (Frw 000)	(3,356,803)	(3,196,955)	(2,909,229)	(3,154,329)
Proportion of assets in Stage 2				
Total portfolio	5%	7%	9%	7%

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3. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

Judgmental adjustments

Where appropriate, the Bank applies judgemental adjustments to the model-generated ECL results to ensure that the final loss allowance reflects all known information, model limitations and emerging credit risk trends. These adjustments are applied where management concludes that model outputs alone do not fully capture the underlying risk profile of the portfolio. Adjustments may materially affect the ECL recognised within the next 12 months.

Judgemental adjustments comprise post-model adjustments (PMAs) and management overlays, each approved through the Bank's credit risk governance framework.

• **Post-model adjustments (PMAs):**

PMAs are applied as part of the year-end reporting process to address identified model deficiencies, data limitations or late-emerging credit information. PMAs are determined through model review, expert judgement and analysis of risk drivers not fully captured through the existing ECL model specification.

• **Overlays:**

Overlays are adjustments made outside the automated model to reflect risks not sufficiently captured by model outputs. These include emerging macro-economic conditions, sector-specific developments, or early-warning indicators. Overlays are not categorised as PMAs as they are not derived from model recalibration but from management's assessment of residual risk.

The Bank has established governance procedures to ensure the appropriateness of all judgemental adjustments. These adjustments are reviewed by Credit Risk, Finance, and are approved by the Executive Risk Committee. Where possible, adjustments are incorporated into future model enhancements to reduce reliance on manual interventions.

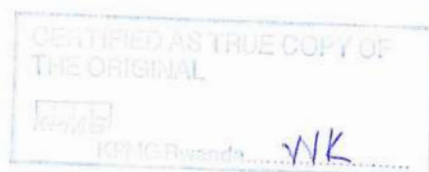
Total judgemental adjustments as at 31 December 2025 increased the loss allowance by **Frw 799 million**, reflecting macroeconomic uncertainty, data limitations and portfolio-specific considerations. For the year ended 31 December 2025, overlays were applied mainly to ensure that the Bank recognised a minimum level of ECL for certain collateralised exposures that would otherwise generate nil or immaterial ECL, and for Stage 3 loans where modelled provisions did not fully reflect the assessed level of credit risk. These adjustments ensure that impairment levels remain aligned with management's assessment of recoverability and expected loss.

The Bank has governance processes in place to review and approve all judgemental adjustments. These include oversight by Credit Risk, Finance and the Executive Risk Committee. Adjustments are revisited quarterly and incorporated into model improvements where applicable.

	2025	2024
	Frw'000	Frw'000
Stage 1	1,833,908	906,910
Stage 2	386,575	322,981
Stage 3	1,767,753	1,632,671
Total base model	3,988,230	2,862,562
Overlays	799,265	334,393
Post model adjustments	-	-
Grand total	4,787,495	3,196,955

Overlays per stage

Description
Stage 1
Stage 2
Stage 3



	2025	2024
	Frw'000	Frw'000
Stage 1	107,472	31,772
Stage 2	128,977	32,652
Stage 3	562,816	269,969
	799,265	334,393

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3. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

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 methods foreclosing on collateral and the value of the collateral are such that there is no reasonable expectations of recovering in full.

Although the Bank may write off financial assets that are still subject to enforcement activity, it still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of recovering in full.

As at 31 December 2025, the contractual amount of financial assets written off during the period that are still subject to enforcement activity was Frw 1,148,224 thousand (2024: Frw 2,404,144 thousand)

Restructured/renegotiated facilities

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 breakdown of loans and advances based on their staging is summarized below:

The following tables set out information about credit quality of loans and advances. The breakdown of loans and advances based on their staging is summarized below.

The breakdown of loans and advances based on their staging is summarized below:

The breakdown of loans and advances based on their staging is summarized below:

	2025	2024
	Rwf' 000	Rwf' 000
At 31 December		
Gross loans and advances		
Stage 1	123,956,560	91,887,722
Stage 2	4,679,508	2,901,487
Stage 3	2,904,700	3,138,761
Total gross loans advanced	131,540,768	97,927,970

b) Other non-loan financial assets

ECL on non-loan financial assets the Bank uses simplified approach such is measured as follows:

- Use of external credit ratings as proxies to infer approximate PDs;
- Assigns equal 'loss' and 'no loss' scenarios based on expert judgment; and
- EADs are estimated based on the expected maturities of the instruments, most of which are less than 12 months.

The other financial assets mainly relate to government securities balances held with central banks and other financial institutions. These assets are subject to normal credit risk consistent with their respective sovereign and institutional ratings



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3.. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

The summarized information on other financial instruments is tabulated below:

	2025 RWF '000	2024 RWF '000
Cash and balances with National Bank of Rwanda	20,527,310	13,692,444
Due from banking institutions	59,756,750	53,491,356
Government securities	48,328,114	41,412,640
Other assets	29,271,047	13,935,370
Gross maximum exposure	157,883,221	122,531,810

The following table breaks down gross maximum credit exposure at carrying amounts (without taking into account any collateral held or other credit support).

	2025 Rwf '000	2024 Rwf '000
Balances with central banks	16,246,783	9,246,392
Due from banking institutions	59,756,750	53,491,356
Government securities	48,328,114	41,412,640
Customer loans and advances	126,753,274	94,731,015
Other assets (financial)	29,271,047	13,935,370
	280,355,968	212,816,773

Credit risk exposures relating to off-balance sheet items are as follows:

Letters of credit	13,291,348	4,520,613
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Staging of loans and advances

Portfolio management is an integral part of the credit risk management process that enables the Bank to limit concentration, reduce volatility, increase liquidity and achieve optimum earnings. The responsibility for portfolio management lies primarily with business units, with oversight and review by credit risk management while the Board Credit Committee is responsible for credit approvals. The Bank's portfolio management plan entails:

- The setting up of portfolio targets and concentrations.
 - Establishing target market risk acceptance criteria and key success factors. These are subject to regular review to ensure their continued appropriateness.
 - Monitoring the portfolio risk profile, risk-adjusted returns, risk concentrations, economic market and competitive data.
 - Identifying and analyzing trends and concentrations that could affect the risk and performance of the portfolio.
- Stress testing of the portfolio for the purpose of measuring potential losses.



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3.. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

An analysis of the Bank's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances to customers at amortized cost

Year ended 31 December 2025

	Stage 1 12-month ECL RWF '000	Stage 2 Lifetime ECL RWF '000	Stage 3 RWF '000	Total RWF '000
Grade 1: Normal	123,956,559	-	-	123,956,559
Grade 2: Watch	-	4,679,508	-	4,679,508
Grade 3: Substandard	-	-	896,049	896,049
Grade 4: Doubtful	-	-	1,437,576	1,437,576
Grade 5: Loss	-	-	571,076	571,076
Total gross carrying amount	123,956,559	4,679,508	2,904,700	131,540,768
Loss allowance	(1,941,375)	(515,552)	(2,330,567)	(4,787,494)
Carrying amount	122,015,184	4,163,956	574,132	126,753,274

Year ended 31 December 2024

Grade 1: Normal	91,887,722	-	-	91,887,722
Grade 2: Watch	-	2,901,487	-	2,901,487
Grade 3: Substandard	-	-	1,010,129	1,010,129
Grade 4: Doubtful	-	-	84,474	84,474
Grade 5: Loss	-	-	2,044,158	2,044,158
Total gross carrying amount	91,887,722	2,901,487	3,138,761	97,927,970
Loss allowance	(938,682)	(355,633)	(1,902,640)	(3,196,955)
Carrying amount	90,949,040	2,545,854	1,236,121	94,731,015

Off balance sheet items

Year ended 31 December 2025

	Stage 1 12-month ECL RWF '000	Stage 2 Lifetime ECL RWF '000	Stage 3 RWF '000	Total RWF '000
Grade 1: Normal	40,656,574	-	-	40,656,574
Grade 2: Watch	-	-	-	-
Grade 3: Substandard	-	-	27,713	27,713
Grade 4: Doubtful	-	-	-	-
Total gross carrying amount	40,656,574	-	27,713	40,684,287
Loss allowance	(548,372)	-	-	(548,372)
Carrying amount	40,108,202	-	27,713	40,135,915

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NCBA BANK RWANDA PLC
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3.. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

Year ended 31 December 2024

	Stage 1 12-month ECL RWF '000	Stage 2 RWF '000	Stage 3 Lifetime ECL RWF '000	Total RWF '000
Grade 1: Normal	22,752,686			22,752,686
Grade 2: Watch	-	-	-	-
Grade 3: Substandard	-	-	-	-
Grade 4: Doubtful	-	-	-	-
Grade 5: Loss	-	-	-	-
Total gross carrying amount	22,752,686	-	-	22,752,686
Loss allowance	(108,518)	-	-	(108,518)
Carrying amount	22,743,654	-	-	22,743,654

Significant Increase in credit risk (SICR)

The Bank identifies a significant increase in credit risk where exposures have a regulatory risk rating of "WATCH" an exposure is 30 days or more days past due. This is in line with the IFRS 9.30 DPD rebuttable presumption; an exposure has been restructured in the past due to credit risk related factors subject to the regulatory cooling off period or by comparing an exposure: credit risk quality at the date of reporting; with the credit risk quality on initial recognition of the exposure. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

The bank decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the bank uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration. Company applies qualitative and quantitative criteria for stage classification and for its forward and backward migration.

Quantitative Criteria

The quantitative criteria is based on relative and not absolute changes in credit quality as stated in the table above driven by ratings and days past due.

The bank considers that financial instruments for which default patterns are not concentrated at a specific point during the expected life of the financial instrument, changes in the risk of a default occurring over the next 12 months may be a reasonable approximation of the changes in the lifetime risk of a default occurring and could be used to determine whether credit risk has increased significantly since initial recognition.

The appropriateness of using changes in the risk of a default occurring over the next 12 months to determine whether lifetime expected credit losses should be recognized depends on the specific facts and circumstances. Risk of default occurring over the next 12 months is not suitable basis for determining whether credit risk has increased on a financial instrument with a maturity of more than 12 months when:

- 1 the financial instruments only have significant payment obligations beyond the next 12 months.
- 2 changes in relevant macroeconomic or other credit-related factors occur that are not adequately reflected in the risk of a default occurring in the next 12 months; or
- 3 changes in credit-related factors only have an impact on the credit risk of the financial instrument (or have a more pronounced effect) beyond 12 months.



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3.. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

The bank's quantitative credit grading, as compared to National Bank of Rwanda (BNR's) prudential guidelines, into five prudential guidelines categories as follows:

IFRS 9 credit staging	BNR Classification	Days past due
1	Normal	Up to date and in line with contractual agreements or within 30 days' arrears
2	Watch	31 to 90 days overdue
3	Substandard	91 to 180 days overdue
	Doubtful	181 – 365 days overdue
	Loss	Over 365 overdue

Qualitative Criteria

In addition to the above, the bank considers other qualitative factors in determining the classification above and may accelerate the classification of credit facilities deemed appropriate. They include but not limited to the following:

- Significant changes in the terms of the same instrument if it were issued at the reporting date that indicate a change in credit risk since initial recognition, e.g.: increase in credit spread; more stringent covenants; increased amounts of collateral or guarantees; or higher income coverage.
- Significant changes in external market indicators of credit risk for the same financial instrument (or similar instrument of the borrower), e.g.; credit spread; credit default swap prices; length of time or the extent to which the fair value of a financial asset has been less than its amortized cost; other market information related to the borrower, such as changes in the price of a borrower's debt and equity instruments; or external credit rating (actual or expected).
- Changes in the bank's credit management approach in relation to the financial instrument (e.g. based on emerging indicators of changes in the credit risk of the financial instrument, the bank's credit risk management practice is expected to become more active or focused on managing the instrument, including the instrument becoming more closely monitored or controlled, or the bank specifically intervening with the borrower).
- Actual or expected adverse changes in business, financial or economic conditions significantly affecting borrower's ability to meet its debt obligations (e.g. increase in interest rates or unemployment rates); operating results of the borrower e.g. declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organizational structure (such as the discontinuance of a segment of the business) that results in a significant change in the borrower's ability to meet its debt obligations; or regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations (e.g. a decline in the demand for the borrower's sales product because of a shift in technology).
- Significant changes in the value of collateral or in the quality of third-party guarantees or other credit enhancements do not, in isolation, result in a significant increase in credit risk. Such changes are considered in the staging assessment only where they are indicative of deterioration in the borrower's financial condition or broader adverse economic circumstances that increase the probability of default. Collateral and guarantees primarily affect the measurement of expected credit losses by influencing the loss given default rather than the probability of default; accordingly, staging decisions are based on changes in the risk of default since initial recognition and not solely on changes in collateral values or credit enhancements.
- Expected changes in the loan documentation (e.g., breach of contract leading to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees). Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Bank (e.g. increase in delayed contractual payments or number of credit card borrowers expected to approach or exceed their credit limit or who are expected to be paying the minimum monthly amount) Customer Loans and advances less than 30 days past due date are not considered impaired, unless other information is available to indicate the contrary.

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3.. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

The breakdown of loans and advances is summarized below:

31-December -2025	Stage 1	Stage 2	Stage 3	
Customer Loans and advances at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Frw'000	Frw'000	Frw'000	Frw'000
Gross carrying amount as of 1 January 2025	91,887,722	2,901,487	3,138,761	97,927,970
New financial assets originated or purchased and other changes	272,831,467	-	-	272,831,467
Transfer to stage 1	(591,247)	619,365	(28,118)	-
Transfer to stage 2	(2,418,321)	2,444,643	(26,322)	-
Transfer to stage 3	(806,556)	(395,496)	1,202,052	-
Repayments	(244,455,549)	(890,370)	(246,923)	(245,592,842)
Foreign exchange impact	7,523,682	-	13,354	7,537,036
Write-offs	-	(121)	(1,148,103)	(1,148,224)
Gross carrying amounts as of 31 December 2025	123,971,198	4,679,508	2,904,701	131,555,407

31 December 2024	Stage 1	Stage 2	Stage 3	
Customer Loans and advances at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Frw'000	Frw'000	Frw'000	Frw'000
Gross carrying amount as of 1 January 2024	88,389,235	11,786,108	9,045,257	109,220,600
New financial assets originated or purchased and other changes	14,909,438	-	-	14,909,438
Transfer to stage 1	(1,373,869)	(3,230,772)	4,604,641	-
Transfer to stage 2	(1,554,645)	1,625,636	(70,991)	-
Transfer to stage 3	1,162,116	(733,967)	(428,149)	-
Repayments	(9,657,150)	(6,388,457)	(7,752,317)	(23,797,924)
Foreign exchange	12,597	(157,061)	144,464	-
Write-offs	-	-	(2,404,144)	(2,404,144)
Gross carrying amounts as at 31 December 2024	91,887,722	2,901,487	3,138,761	97,927,970

The table below shows movement in provisions for impairment for loans and advances

31 December 2025	Stage 1	Stage 2	Stage 3	
Loss allowance on loans and advances to customers at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Frw'000	Frw'000	Frw'000	Frw'000
At start of year	938,682	355,633	1,902,640	3,196,955
Transfer to stage 1	101,077	(51,752)	(49,325)	-
Transfer to stage 2	(35,986)	41,946	(5,960)	-
Transfer to stage 3	(11,160)	(44,158)	55,317	-
Net new impairments created	(999,073)	1,693,930	3,045,972	3,740,829
Total charge to profit or loss	(945,142)	1,639,967	3,046,004	3,740,828
Foreign exchange and other movements	-	(346,780)	-	(346,780)
Financial assets that have been derecognized	1,947,835	(1,133,147)	(1,348,875)	(534,187)
Write-offs	-	(120)	(1,355,938)	(1,356,059)
Stage 3 Accrued Interest	-	-	86,737	86,737
Loss allowance as at 31 December 2025	<u>1,941,375</u>	<u>515,552</u>	<u>2,330,568</u>	<u>4,787,495</u>

ECL computed on cash and balances with National bank, Due from banking institutions and other assets was immaterial



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Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

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3.. Financial risk management objectives and policies (Continued)

a) Credit risk (Continued)

31 December 2024	Stage 1	Stage 2	Stage 3	
Loss allowance on loans and advances to customers at amortized cost	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	Total
	Frw'000	Frw'000	Frw'000	Frw'000
At start of year	1,160,547	988,027	3,651,695	5,800,269
Transfer to stage 1	(258,347)	169,988	88,359	-
Transfer to stage 2	9,618	(139,009)	129,391	-
Transfer to stage 3	1,353	(2,062,560)	2,061,215	-
Net new impairments created	<u>1,194,876</u>	<u>2,116,325</u>	<u>1,696,257</u>	<u>5,007,458</u>
Foreign exchange and other movements	(3,046,721)	(1,271,339)	(1,828,214)	(6,146,274)
Total charge to profit or loss	947,492	84,744	3,975,222	5,007,458
Write-offs	-	(157,065)	(7,701,343)	(7,858,408)
Loss allowance as at 31 December 2024	<u>(938,682)</u>	<u>(355,633)</u>	<u>(1,902,640)</u>	<u>(3,196,955)</u>

Portfolio management is an integral part of the credit risk management process that enables the Bank and Company to limit concentration, reduce volatility, increase liquidity and achieve optimum earnings. The responsibility for portfolio management lies primarily with business units, with oversight and review by credit risk management while the Board Credit Committee is responsible for credit approvals. The Bank's portfolio management plan entails:

- The setting up of portfolio targets and concentrations.
- Establishing target market risk acceptance criteria and key success factors. These are subject to regular review to ensure their continued appropriateness.
- Monitoring the portfolio risk profile, risk-adjusted returns, risk concentrations, economic market and competitive data.
- Identifying and analyzing trends and concentrations that could affect the risk and performance of the portfolio.
- Stress testing of the portfolio for the purpose of measuring potential losses.

Other financial assets

The other financial assets mainly comprise government securities and balances held with the Central Bank and other financial institutions. These exposures are considered to have low credit risk and none were past due or credit impaired as at the reporting date. Expected credit losses (ECL) have been assessed and calculated in accordance with IFRS 9, and an impairment allowance has been recognized accordingly.

(i) Gross maximum exposure

The following table breaks down gross maximum credit exposure at carrying amounts (without taking into account any collateral held or other credit support).

	2025	2024
	Frw 000	Frw 000
Gross maximum exposure		
Balances with central bank of Rwanda	20,527,310	13,692,444
Due from banking institutions	59,756,750	53,491,356
Government securities	48,328,114	41,412,640
Customer loans and advances (Gross)	131,540,768	97,927,970
Other financial assets	<u>29,524,807</u>	<u>8,808,643</u>
Total	<u>289,677,749</u>	<u>215,333,053</u>
 Credit risk exposures relating to off-balance sheet items are as follows:		
Guarantees	27,392,939	27,183,575
Letters of Credit	<u>13,291,348</u>	<u>5,534,814</u>
Total off-balance sheet	<u>40,684,287</u>	<u>22,752,686</u>
Total credit risk exposure	<u>257,158,055</u>	<u>223,076,438</u>

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3.. Financial risk management objectives and policies (Continued)

Credit risk exposure for Other financial assets

Financial assets are classified under stage 1. The gross amount of financial assets with exposure to credit risk at the balance sheet date are as follows:

	2025			2024		
	Balance RWF '000	ECL RWF '000	Net amount RWF '000	Balance RWF '000	ECL RWF '000	Net amount RWF '000
T-Bonds	24,193,791	20,750,336	3,443,455	16,060,813	10,764,735	5,296,078
T-bills	24,134,323	11,849,485	12,284,838	25,373,357	10,764,735	14,608,622
Cash with banks	59,756,750	28,900,448	30,856,302	53,491,356	-	53,491,356
Total	108,084,864	61,500,269	46,584,595	94,925,526	21,529,469	73,396,057

All balances are classified under Stage 1, as there has been no significant increase in credit risk since initial recognition. The net exposure represents the amount expected to be recovered after considering impairment allowances.

(ii) Concentrations of risk

To avoid excessive concentration in any one of several industrial sectors and, by extension, the overall safety of the Company, the lending portfolio is monitored and managed at all times. Equally, care is taken to avoid over-exposure to any one borrower. There are restrictions to the maximum exposure permitted with respect to any one name based on capital and these restrictions which are strictly adhered to, are laid down by regulation. Any changes made to the portfolio management plan are subject to the approval of the Board of Directors. The economic sector risk concentrations within the customer loans and advances portfolios at the end of the year were as follows:

Economic sector-on balance sheet

	2025		2024	
	Frw '000	%	Frw '000	%
Manufacturing	20,703,234	15.7%	16,284,944	16.6%
Trade	15,983,473	12.1%	18,144,893	18.5%
Personal & Household	46,955,106	35.7%	37,693,515	38.5%
Transport & communications	31,589,361	24.0%	6,074,219	6.2%
Energy & water	6,811,309	5.2%	7,255,666	7.4%
Financial services	-	0%	-	0.0%
Mining & quarrying	-	0%	-	0.0%
Building & construction	6,245,850	4.8%	10,608,244	1.8%
Real estate	2,542,431	1.9%	1,802,848	
Tourism, restaurant & hotels	573,783	0.4%		
Agriculture	136,221	0.1%	63,641	0.1%
Total	131,540,768	100%	97,927,970	100%

Economic sector-off balance sheet

	2025		2024	
	'000	%	'000	%
Manufacturing	140,612	0.35%	916,752	4.0%
Trade	6,398,600	16%	419,109	1.8%
Personal & Household	21,981,205	54%	1,240,861	5.5%
Transport & communications	8,209,450	20%	113,939	0.5%
Energy & water	-		-	0.0%
Financial services	-		253,737	1.1%
Mining & quarrying	-		19,373,210	85.1%
Building & construction	3,954,420	10%	425,312	1.9%
Real estate	-		-	
Tourism, restaurant & hotels	-		9,766	0.0%
Agriculture	-		-	
Total	40,684,287	100%	22,752,686	100%



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3.. Financial risk management objectives and policies (Continued)

(iii) Collateral management

The Bank uses a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for advanced funds, which is common practice. The acceptability of collateral for credit risk mitigation is guided by the Bank's procedures and policies. The main types of collateral taken are:

Type of lending	Common collateral type
Mortgage lending	First ranking legal charge over the property financed.
Commercial loans	Debentures over the Company's assets, cash cover in cash margin account, first ranking legal charge over both commercial and residential properties, Directors' personal guarantees and Company guarantees.
Personal loans	First ranking legal charge over property, Checkoffs and cash backed
Asset finance	Secured by motor vehicles and chattel registrations
Other loans and advances	Debentures over the Company's assets, cash cover in cash margin account, first ranking legal charge over both commercial and residential properties, Directors' personal guarantees and Company guarantees.

Valuation of collateral

The bank has a panel of valuers who undertake valuation of property and other assets to be used as collateral. The valuers in the panel are qualified professional valuers with adequate experience in the field of property and machinery valuation. Collateral is valued in accordance with the bank's risk mitigation policy, which prescribes the frequency of valuation for different collateral types. Collaterals are monitored regularly, and valuation of collateral are performed between 3 to 5 years intervals. New collaterals presented are valued by the professional valuers before are signed up.

Financial effect of collateral

	Stage 1 RWF '000	Stage 2 RWF '000	Stage 3 RWF '000	Total RWF '000
Year ended 2025				
Outstanding loans and advances	123,971,199	4,679,508	2,904,700	131,555,407
Secured	77,475,644	3,974,653	1,266,636	82,716,933
Unsecured	46,495,555	704,855	1,638,064	48,838,474
Outstanding off-balance sheet exposure	40,656,574	-	27,713	40,684,287
Secured	40,655,574	-	27,713	40,683,287
unsecured	1,000	-	-	1,000
Total outstanding loans and advances	164,627,773	4,679,508	2,932,413	172,239,694 -
Collateral held				
Land and property	61,918,302	5,861,823	1,556,059	69,336,184
Debentures	1,650,394	72,251	-	1,722,645
Motor vehicles and equipment	5,475,473	272,530	193,638	5,941,641
Others	44,843,978	-	3,622	44,847,600
Total Collateral Held	113,888,147	6,206,604	1,753,319	121,848,070
Excess coverage	(50,956,677)	1,527,096	(1,179,094)	(50,608,675)
Year ended 2024				
Outstanding loans and advances	124,188,250	4,679,508	2,994,436	97,927,970
Secured	75,781,430	2,490,866	1,145,604	79,417,900
Unsecured	16,106,059	555,179	1,848,832	18,510,070
Outstanding off-balance sheet exposure	21,352,686	1,400,000	-	22,752,686
Secured	19,928,462	1,400,000	-	21,328,462
Unsecured	1,424,224	-	-	1,424,224
Total outstanding loans and advances	113,240,175	4,446,045	2,994,436	120,680,656
Collateral held				
Land and property	117,303,206	3,093,716	2,205,677	122,602,599
Debentures	3,712,950	-	30,000	3,742,950
Motor vehicles and equipment	4,497,746	243,081	41,016	4,781,843
Others	48,594,347	-	1,000	48,595,347
Total Collateral Held	174,108,249	3,336,797	2,277,693	179,722,739
Excess coverage	60,868,074	(1,109,248)	(716,743)	(59,042,083)

Prepared by: [Signature]
 The Controller
 5/10/25
 8/10/25 [Signature]

NCBA BANK RWANDA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management objectives and policies (Continued)

b) Market risk

(i) Currency risk

The Bank is exposed to currency risk through transactions and balances denominated in foreign currencies. Currency risk arises from recognized monetary assets and liabilities denominated in currencies other than the functional currency (Rwandan Franc). The Bank manages this risk through limits approved by the Board in line with regulatory requirements. Exposure is monitored daily and maintained within prescribed limits relative to core capital.

The table below summarises the Bank's exposure to foreign currency risk based on monetary financial assets and liabilities:

	FRW Frw 000	USD Frw 000	GBP Frw 000	EUR Frw 000	Other Frw 000	Total Frw 000
Cash in hand	1,405,764	2,289,581	102,833	482,348	-	4,280,526
Balance with National Bank of Rwanda	15,555,898	633,090		57,795		16,246,783
Government securities	48,328,114					48,328,114
Deposits and balances due from other banking institutions	207,849	58,778,939	182,757	560,652	26,553	59,756,750
Loans and advances to customers	122,746,538	3,996,133		10,604		126,753,275
Other assets	28,938,178	316,550	38	511	15,770	29,191,938
Total assets	217,182,341	66,014,293	285,628	1,111,910	42,323	284,557,386
Liabilities						
Deposits from customers	117,310,932	64,832,773	293,333	1,060,559		183,497,597
Due to banking institutions	36,763,144	634				36,763,778
Balances due to Bank companies	2,623,063	2,252			110,192	2,735,507
Other liabilities	7,185,946					7,185,946
Lease liability	6,579,683					6,579,683
Borrowings	13,992,963					13,992,963
Total Liabilities	184,455,731	64,835,659	293,333	1,060,559	110,192	250,755,474
Net Exposure	32,726,610	1,178,634	(7,705)	51,351	(67,869)	33,801,912

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3. Financial risk management objectives and policies (Continued)

b) Market risk (Continued)

(i) Currency risk (Continued)

Year ended 31 December 2024

	Frw	USD	GBP	EUR	Other	Total
	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000
Cash in hand	2,372,133	487,011	829,311	638,906	118,691	4,446,052
Balance with National Bank of Rwanda	7,870,006	1,341,757	-	34,629	-	9,246,392
Deposits and balances due from other banking institutions	41,412,640	-	-	-	-	41,412,640
Government securities	5,114,218	47,174,458	323,802	859,687	19,189	53,491,356
Loans and advances to customers	94,020,244	710,771	-	-	-	94,731,015
Other assets	11,260,773	3,602,710	-	-	-	14,863,483
Total assets	162,050,014	53,316,707	1,153,113	1,533,222	137,880	218,190,938
Deposits from Customers	110,676,291	52,155,002	415,243	1,117,790	-	164,364,326
Balances due to Bank companies	617,484	12,053	-	-	-	629,537
Other Liabilities	7,032,788	-	-	-	-	7,032,788
Lease Liabilities	3,979,200	-	-	-	-	3,979,200
Borrowings	15,416,036	-	-	-	-	15,416,036
Total Liabilities	137,721,799	52,167,055	415,243	1,117,790	-	191,421,887
Net Exposure	24,328,215	1,149,652	737,870	415,432	137,880	26,769,051

Frw The reporting currency does not carry any exchange rate exposure



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management objectives and policies (Continued)

b) Market risk (Continued)

(ii) Currency Risk Sensitivity

The Bank is exposed to foreign exchange risk arising from fluctuations in currency exchange rates due to its international operations. This risk primarily relates to exposures in the US dollar, Sterling pound, Euro, Kenya shilling, Uganda shilling, and Tanzania shilling, and arises from recognized monetary assets and liabilities as well as net investments in foreign operations. Foreign exchange risk on recognized assets and liabilities is managed through the use of forward contracts, while exposures relating to net investments in foreign operations are primarily managed through borrowings denominated in the respective foreign currencies. The Bank has adopted a 10% currency sensitivity threshold to assess the potential impact of exchange rate movements on its financial performance.

This threshold reflects historical market volatility influenced by global economic conditions, regional trade dynamics, and inflationary pressures, and is aligned with the stress testing framework of the National Bank of Rwanda, which applies foreign exchange shock scenarios in the range of 10%–20%. In 2025, the Bank did not have significant transactions in other currencies, with foreign currency risk exposure predominantly arising from US dollar-denominated balances. Sensitivity analysis is performed to demonstrate the effect of reasonably possible changes in major exchange rates on profit before tax and equity, with all other variables held constant, and the impact on equity is presented net of tax using the applicable local regulatory tax rates of 29% in 2024 and approximately 28% in 2025.

Currency	Increase/decrease in exchange rate	P/L Impact 2025	P/L Impact 2024	Equity Impact 2025	Equity Impact 2024
		Frw'000	Frw'000	Frw'000	Frw'000
USD	+/-5%	58,932	42,431	57,483	40,813
GBP	+/-13%	(1,002)	73,787	95,923	68,104
EURO	+/-16%	8,216	41,543	66,469	47,193
Others	+/-10%	(6,787)	13,788	13,788	9,790

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FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management objectives and policies (Continued)

b) Market risk (Continued)

(ii) Interest Rate Risk

Year ended 31 December 2024	Up to 1 Month	1-3 Months	3 - 12 Months	1-5 Years	Over 5 years	Non-interest Bearing*	Total
	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000
Cash in hand	-	-	-	-	-	-	-
Balance with National Bank of Rwanda	53,491,356	-	-	-	-	-	53,491,356
Deposits and balances due from other banking institutions	4,273,000	4,425,000	15,500,000	13,039,896	4,174,744	-	41,412,640
Government securities	17,344,977	1,078,682	3,206,493	34,933,479	38,167,384	-	94,731,015
Customer loans and advances	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total assets	75,109,333	5,503,682	18,706,493	47,973,375	42,342,128	13,703,640	217,031,095
Deposits from Customers	23,635,873	6,262,783	13,522,055	1,108,855	-	119,834,756	164,364,322
Accruals, provisions and other liabilities	-	-	-	-	-	7,032,789	7,032,789
Balances due to Bank companies	-	-	-	-	-	629,537	629,537
Lease liability	-	-	-	-	3,979,200	-	3,979,200
Borrowings	-	-	-	-	15,416,036	-	15,416,036
Total liabilities	23,635,873	6,262,783	13,522,055	1,108,855	19,395,236	127,497,082	191,421,884
Interest sensitivity gap	51,473,460	(759,101)	5,184,438	46,864,520	22,946,892	(100,100,998)	25,609,211
Interest sensitivity +/-1%	514,735	(7,591)	51,844	468,645	229,469	-	1,257,102
Year ended 31 December 2025	Up to 1 Month	1-3 Months	3 - 12 Months	1-5 Years	Over 5 years	Non-interest Bearing*	Total
	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000	Frw 000
Cash in hand	-	-	-	-	-	-	-
Balance with National Bank of Rwanda	59,756,750	-	-	-	-	-	59,756,750
Deposits and balances due from other banking institutions	4,413,010	4,413,010	19,780,781	12,391,030	11,743,292	-	48,328,113
Government securities	21,187,770	744,363	19,078,680	14,487,647	71,254,814	-	126,753,274
Customer loans and advances	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total assets	80,944,520	5,157,373	38,859,461	26,878,677	82,998,106	29,524,807	284,890,254
Deposits from Customers	1,134,695	158,182,440	7,353,852	15,326,796	1,499,814	-	183,497,597
Due to banking institutions	36,763,778	-	-	-	-	-	36,763,778
Other Liabilities	-	-	-	-	-	7,185,944	7,185,944
Lease liability	-	-	-	-	3,979,200	-	3,979,200
Borrowings	-	-	-	1,789,980	12,202,983	-	15,416,036
Total liabilities	194,946,218	7,353,852	15,326,796	9,869,477	13,337,678	7,185,944	248,019,965
Interest sensitivity gap	(114,001,698)	(2,196,479)	23,532,665	17,009,200	69,660,428	(42,866,173)	36,870,289

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With NCBA YuanXpress:

- Pay suppliers in China directly in CNY
- Faster payment execution
- Simple payment process

Same convenience – **with an extra currency (RMB)**



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NCBA BANK RWANDA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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3. Financial risk management objectives and policies (Continued)

b) Market risk (Continued)

(ii) Interest rate risk (Continued)

The tables below summarize the effective interest rate by major currencies for monetary financial assets and liabilities.

<u>At 31 December 2025 (%)</u>	Local Currency	USD
Assets		
Government securities	10.1	-
Due from banking institutions	6.0	2.8
Customer loans and advances	17.0	8.5
Liabilities		
Customer deposits	6.1	0.1
Balances due to banks	6.0	2.8
Borrowings	3.6	-
 <u>At 31 December 2024 (%)</u>		
Assets		
Government securities	10.6	-
Due from banking institutions	6.51	2.04
Customer loans and advances	15.4	8.25
Liabilities		
Customer deposits	6.1	0.6
Balances due to banks	5.6	-

Market risk sensitivity analysis

Market risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the value or future cash flow of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control risk exposures within acceptable limits, while optimizing return. Overall responsibility for the management of market risk rests with the Assets and Liabilities Committee. The Bank's Treasury and Risk divisions are responsible for the development of detailed risk management policies.

The bank is exposed to risks associated with the effects of fluctuations in prevailing levels of market interest. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise

(iii) Liquidity risk

The bank is exposed to daily calls on its available cash resources arising from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. The bank does not maintain cash resources to meet all these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. 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 maturity 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 Company. The Assets and Liabilities Committee review the maturity profile of liabilities on a weekly basis and ensures that sufficient liquidity is maintained to meet maturing deposit obligations. The bank also fully complies with regulatory minimum cash and liquidity ratio requirements. The following tables analyses assets and liabilities of the bank into relevant maturity Bankings based on the remaining period to contractual maturity date as at the reporting date.



NCBA BANK RWANDA PLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management objectives and policies (Continued)

(iii) *Liquidity risk (Continued)*

	At 31 December 2025	Up to 1 month Frw 000	1 to 3 months Frw 000	3 to 12 months Frw 000	1 to 5 years Frw 000	Over 5 years Frw 000	Total Frw 000
Assets							
Cash in hand		4,280,527	-	-	-	-	4,280,527
Central banks balances		16,246,783	-	-	-	-	16,246,783
Due from banking institutions		59,727,921	-	-	-	-	59,727,921
Government securities		2,573,010	1,840,000	19,780,781	12,391,030	11,743,292	48,328,114
Customer loans and advances		15,282,346	21,187,770	744,363	58,397,806	35,943,121	131,555,407
Other financial assets		29,524,807	-	-	-	-	29,524,807
Total financial assets*		127,635,394	23,027,770	20,525,144	70,788,836	47,686,413	289,663,559
Liabilities							
Customer deposits		65,498,767	36,227,116	9,341,488	5,097,156	75,953,652	192,118,180
Due to banking institutions		36,763,778	-	-	-	-	36,763,778
Other financial liabilities		2,001,487	3,945,557	1,144,407	94,493	-	7,185,944
Lease liability		-	-	-	6,589,285	-	6,589,285
Borrowings		-	-	4,338,960	5,933,016	4,344,815	14,616,791
Total financial liabilities		104,264,032	40,172,673	14,824,855	17,713,950	80,298,467	220,510,200
Net on- balance sheet liquidity gap		23,371,362	(17,144,903)	5,700,289	53,074,886	(32,612,054)	69,153,359
At 31 December 2024							
Assets							
Cash in hand		4,446,052	-	-	-	-	4,446,052
Central banks balances		9,246,392	-	-	-	-	9,246,392
Government securities		4,273,000	4,425,000	15,500,000	13,039,896	4,174,744	41,412,640
Due from banking institutions		53,491,356	-	-	-	-	53,491,356
Customer loans and advances		28,522,680	1,159,898	14,515,597	23,941,726	26,591,114	94,731,015
Other financial assets		13,286,944	-	-	416,696	-	14,373,881
Total financial assets		113,266,424	5,584,898	30,015,597	37,388,318	30,765,858	217,031,095
Liabilities							
Customer deposits		145,105,583	3,652,723	15,605,015	1,001	-	164,364,322
Due to banking institutions		-	-	-	-	-	-
Due to Bank companies		488,541	-	140,996	-	-	629,537
Other financial liabilities		4,379,864	2,103,814	-	-	-	6,483,678
Lease liability		-	-	-	3,979,200	-	3,979,200
Borrowings		-	-	-	-	15,416,036	15,416,036
Total financial liabilities		149,973,988	5,755,537	15,746,011	3,980,201	15,416,036	190,872,773
Net on- balance sheet liquidity gap		(32,707,564)	(171,639)	14,268,586	33,418,117	15,349,822	26,158,322

The matching and controlled mismatching of the maturities of assets and liabilities and interest rates thereon is fundamental to the management of the Company. It is unusual for banks 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.



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3. Financial risk management objectives and policies (Continued)

3.1 Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date.
- The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument’s life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.

The fair value of financial instruments is generally measured on an individual basis. However, in cases where the Bank manages a Bank of financial assets and liabilities on the basis of its net market or credit risk exposure, the fair value of the Bank of financial instruments is measured on a net basis, however the underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the IFRS offsetting criteria.

A. Financial instruments measured at fair value

The Bank does not have any financial instruments measured at fair value as at 31 December 2025 (2024: Nil).

Accordingly, disclosures relating to valuation techniques, inputs and sensitivity analysis for financial instruments measured at fair value are not applicable.



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3. Financial risk management objectives and policies (Continued)

3.1. Determination of fair value (continued)

B. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Frw'000	Carrying amount	Fair value			
	Frw'000	Level 1 Frw'000	Level 2 Frw'000	Level 3 Frw'000	Total Frw'000
31-Dec-25					
Financial assets					
Cash and balances with National Bank of Rwanda	20,527,310	-	20,527,310	-	20,527,310
Due from banking institutions	59,756,750	-	59,756,750	-	59,756,750
Government securities at amortized cost	48,297,069	-	48,328,114	-	48,328,114
Customer Loans and advances	126,767,912	-	126,753,274	-	126,753,274
Other assets	29,271,047	-	29,271,047	-	29,271,047
	284,620,088	-	284,636,495	-	284,636,495
Financial liabilities					
Customer deposits	183,497,597	-	183,497,597	-	183,497,597
Balances due to banks	36,763,778	-	36,763,778	-	36,763,778
Due to Group companies	2,568,114	-	2,568,114	-	2,568,114
Borrowed funds	13,992,963	-	13,992,963	-	13,992,963
Other liabilities	7,191,540	-	7,191,540	-	7,191,540
Total	244,013,992	-	244,013,992	-	244,013,992
31-Dec-24					
Financial assets					
Cash and balances with National Bank of Rwanda	13,692,444	-	13,692,444	-	13,692,444
Due from banking institutions	53,491,356	-	53,491,356	-	53,491,356
Government securities at amortized cost	41,412,640	-	41,387,640	-	41,387,640
Customer Loans and advances	94,731,015	-	94,721,015	-	94,721,015
Other assets	13,935,370	-	13,935,370	-	13,935,370
	217,262,825	-	217,227,825	-	217,227,825
Financial liabilities					
Customer deposits	164,364,322	-	164,364,322	-	164,364,322
Balances due to banks	-	-	-	-	-
Due to Group companies	629,537	-	629,537	-	629,537
Borrowed funds	15,416,036	-	15,416,036	-	15,416,036
Other liabilities	7,032,789	-	7,032,789	-	7,032,789
Total	187,442,684	-	187,442,684	-	187,442,684

Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow technique. Input into valuation techniques includes interest rates, expected lifetime credit losses. Input into the models may include data from traded securities on secondary market. The fair value of deposits from banks and customers is estimated using discounted cashflow techniques, applying the rates that are offered from deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date

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4. Critical accounting estimates and judgements in applying accounting policies

The preparation of the bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Existing circumstances and assumptions about future developments may change due to circumstances beyond the bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the consolidated financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

a) Going concern

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

b) Impairment losses on financial assets at amortized cost

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The bank's internal credit grading model, which assigns PDs to the individual grades
- The bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit losses basis and the qualitative assessment
- The segmentation of financial assets when their expected credit losses is assessed on a collective basis
- Development of expected credit losses models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The Directors use estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.



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4. Critical accounting estimates and judgements in applying accounting policies

c) Impairment of non- financial assets

An impairment review of property, plant and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount.

The carrying amounts of the bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment which include changes in technology and change of law or decisions from the parent company. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Bank of units) on a pro-rata basis. There is no indication of impairment of assets.

d) Income Taxes

The Bank is subject to taxation laws of Rwanda. Significant estimates are required in determining the provision for income taxes. There may be transactions and calculations during the normal course of business, whose ultimate tax impact determination has an element of uncertainty. In determining the interpretation and/or application of the various tax rules, disputes may arise with the relevant tax authorities, of which the outcome may not be favorable to the bank. In such cases, the Bank relies on internal management expertise and where relevant, seeks expert advice to determine whether the unfavorable outcome is probable or possible.

Where objective estimates of the potential tax liabilities that may crystallize from such tax disputes are determinable, the Bank recognizes provision in line with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets principles. In such cases, if the final tax determination is different from the amounts that were initially recorded, the difference will impact the current income tax and deferred income tax provisions in the period in which such determination is made. Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability. Refer to note 12 and 25 for disclosure of carrying amounts

5. Interest Income calculated using effective interest rate

	2025	2024
	Frw 000	Frw 000
Government securities at amortized cost	3,867,804	2,934,356
Customer loans and advances	26,859,973	27,398,070
Due to Banking institutions	1,567,845	1,122,198
	32,295,622	31,454,624

Interest income is recognized using the effective interest method.

6. Interest expense

	2025	2024
	Frw 000	Frw 000
Customer deposits	7,423,912	7,749,999
Deposit from other banking institutions	154,622	471,446
Long term Borrowings	79,543	59,488
	7,658,077	8,280,933

Interest expense is recognized using the effective interest method.

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6.b. Other interests and similar expenses

	2025	2024
	Frw 000	Frw 000
Leases (IFRS 16)	431,260	390,854
	<u>431,260</u>	<u>390,854</u>

7. Impairment reversal/ (losses)

	2025	2024
	Frw 000	Frw 000
Stage 1	(995,972)	(947,492)
Stage 2	(229,337)	(84,744)
Stage 3	(2,515,519)	(3,975,222)
Subtotal (note 27b)	(3,740,828)	(5,007,458)
Bad debts recoveries	5,627,674	348,738
Other impairment charges		
Impairment on other assets	(39,970)	(12,057)
Total impairment charges	1,846,876	(4,670,777)

Total impairment charges may be analyzed as follows:

Loans and advances to customers	1,806,905	(4,658,720)
Other impairment charges	39,971	(12,057)
Total impairment charges	1,846,876	(4,670,777)

8. Fees and Commission income

Fees and commission income arise from the provision of services to customers and are accounted for in accordance with IFRS 15 Revenue from Contracts with Customers. The Bank earns fees from service and transaction-based activities and credit-related services.

(a) Disaggregation of fee and commission income

	2025	2024
	Frw 000	Frw 000
Service and transaction fees	861,645	785,814
Fees and commission on bills, letters of credit and guarantees	374,696	450,612
Gross fees and commission income	1,236,341	1,236,426
Fees and commission expense	(69,794)	(190,031)
Net fee and commission income	1,166,547	1,046,395

(b) Contract balances

The Bank does not recognise contract assets or contract liabilities in relation to fee and commission income, as fees are typically due immediately or recognised when the underlying service is provided. Billing and settlement occur over very short timeframes, and therefore no material outstanding performance obligations remain at period-end.

(c) Nature and timing of satisfaction of performance obligations

- Service and transaction fees are recognised at a point in time when the underlying transaction is completed (e.g., cash transfers, account services, payment processing). The Bank's performance obligation is satisfied immediately upon performing the service.
- Fees on bills, letters of credit and guarantees are recognised over time, as the customer receives the benefit of the Bank standing ready to provide credit-related services throughout the guarantee or LC period.
- Payment terms for both revenue streams do not contain a significant financing component, as consideration is typically due upfront or within a short operating cycle.
- Fees and commission expenses primarily relate to costs incurred on standby letters of credit and card-related operations and are recognised as the related service is received.

9. Foreign Exchange Income

	2025	2024
	Frw 000	Frw 000
Realized gains	1,747,564	2,804,068
Unrealized losses	(4,310)	(7,938)
	<u>1,743,254</u>	<u>2,796,130</u>



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10. Other Income

	2025	2024
	Frw 000	Frw 000
Other income*	<u>212,895</u>	<u>5,426</u>

Other income comprises amounts received from bidders as part of the procurement process upon submission of their bids, as well as uncollected card transaction income. Where such amounts remain unclaimed for a period exceeding 180 days, they are recognized as income of the Bank..

11.a) Operating expenses

	2025	2024
	Frw 000	Frw 000
Employee benefits (Note 11.b)	7,021,804	4,822,941
Premises repairs and maintenance expenses	130,874	229,260
Equipment and motor Vehicle expenses	174,094	174,135
Marketing and business development expenses	698,757	692,524
Security and insurance expenses	484,422	480,861
Information technology expenses	1,356,591	1,734,518
Communication and stationery	448,624	422,940
Professional fees	364,216	499,081
Depreciation expense	900,155	568,711
Amortization of intangible assets (software)	3,805	4,267
Amortization of intangible assets (others)	295,942	303,964
Regulatory Deposit Insurance	96,064	83,835
Auditors' remuneration	56,301	135,926
Depreciation of the right of use assets	1,375,746	564,841
Other expenses	1,122,855	2,597,865
Intercompany recharges*	1,817,393	552,525
Director cost	570,409	753,941
	<u>16,918,052</u>	<u>14,622,135</u>

11. b) Employee Benefits Expense

	2025	2024
	Frw 000	Frw 000
Salaries and allowances	5,562,175	3,649,884
Contribution to defined contribution scheme	601,207	419,888
Medical expenses	360,599	272,941
Trainings	219,587	151,322
Staff Benefits	121,857	158,252
Other staff costs*	156,379	170,654
	<u>7,021,804</u>	<u>4,822,941</u>

*Other staff costs include expenses incurred for recruitment of new hires, payments related to employee wellness programs and sporting activities, and professional staff membership fees

11. c) Auditors' remuneration

	2025	2024
	Frw 000	Frw 000
Statutory audit fees	56,301	48,926
	<u>56,301</u>	<u>48,926</u>

11. d) Other Operating Expenses

	2025	2024
	Frw 000	Frw 000
Cash management	-	54,289
Licenses for Bank operations	495,726	621,757
Operational losses**	627,128	520,511
	<u>1,122,855</u>	<u>1,196,557</u>

*Other expenses include occupancy-related costs (such as rent, electricity, water and facility maintenance), bank charges and transaction-processing fees, staff travel and related operating costs, miscellaneous administrative expenses and operational losses. Operational losses mainly consist of f losses resulting from mobile money and other system incidents.



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12. Income Tax expense

	2025	2024
	Frw 000	Frw 000
Deferred income tax (note 25 (a))	(1,446,054)	417,269
Current income tax charge	<u>5,221,062</u>	<u>1,710,322</u>
	<u>3,775,008</u>	<u>2,127,591</u>

The income tax based on the bank's loss before income tax differs from the theoretical amount that would arise using the statutory income tax rate applicable as follows:

	2025	2024
	Frw 000	Frw 000
Profit before income tax	12,257,804	7,337,876
Tax calculated at the statutory income tax rate of 28% (2025- 30%)	3,432,185	2,054,606
Expenses not deductible for tax purposes	343,793	72,985
Prior year adjustment	(970)	-
	<u>3,775,008</u>	<u>2,127,591</u>

12.b) Current tax liabilities

At 1 January	(928,113)	431,007
Tax charge during the period	5,221,062	1,710,322
Tax paid	(594,536)	(3,069,442)
At 31 December	<u>3,698,413</u>	<u>(928,113)</u>

Corporate Tax rate for the year is 28% (2024: 28%)

13. Cash and Balances with National Bank of Rwanda

	2025	2024
	Frw 000	Frw 000
Cash in hand	4,280,527	4,446,052
Balances with National Bank of Rwanda	16,246,783	9,246,392
Total	<u>20,527,310</u>	<u>13,692,444</u>
Mandatory cash reserve deposits	9,109,346	7,733,566

14. a) Due from Banking Institutions

	2025	2024
	Frw 000	Frw 000
Current accounts, overnight and call deposits	<u>59,756,750</u>	<u>53,491,356</u>
	<u>59,756,750</u>	<u>53,491,356</u>

All the balances due from banking institutions had maturities of less than 91 days from date of placement.

14. b) Analysis of cash and cash equivalents

	2025	2024
	Frw 000	Frw 000
Cash and balances with Central Banks	20,527,310	13,692,444
Due from banking institutions (note 14)	59,756,750	53,491,356
Total	<u>80,284,060</u>	<u>67,183,800</u>

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15. Government Securities at amortized cost

	2025	2024
	Frw'000	Frw'000
Treasury bills – amortized cost	24,193,791	25,373,357
Fixed rate Treasury bonds – amortized cost	24,195,823	16,060,813
Expected credit losses	(61,500)	(21,530)
	48,328,114	41,412,640
Comprising:		
Treasury bills and bonds maturing within 91 days from date of acquisition		-
Treasury bills and bonds maturing after 91 days but within 364 days from date of acquisition	24,193,791	25,373,357
Treasury bills and bonds maturing after 364 days from date of acquisition	24,195,823	16,039,283
Expected credit losses	(61,500)	(21,530)
	48,328,114	41,412,640
Balance as at 1 January	41,434,170	34,254,074
Purchase of government securities	8,073,510	29,140,021
Proceed from matured government securities	(1,179,566)	(21,959,925)
Balance as at 31 December	48,328,114	41,434,170
ECL Movement was as follows:		
At start of year	(21,530)	(9,472)
Release for the year	(39,970)	(12,058)
At end of year	(61,500)	(21,530)

The Company applies the IFRS 9 Expected Credit Loss (ECL) model to financial assets measured at amortised cost. The ECL framework incorporates external credit ratings (primarily Fitch Ratings) to determine probability of default (PD), while loss given default (LGD) is based on Basel standards-aligned assumptions and market recovery benchmarks. Exposure at default (EAD) is determined as the carrying amount including accrued interest.

Given the short-term nature of most exposures and the high credit quality of counterparties, ECL remains immaterial in both the current and prior year and all classified as stage 1.

Summary of financial assets subject to ECL

Asset class	Exposure	ECL
	Frw	Frw
Due from other banks	55,410,920	28,708
Government bonds	24,371,419	20,750
Treasury bills	26,815,863	11,850
Placements	16,693,117	192
Total	123,291,318	61,500

Due from other banks

Ratings	Sum of PD	Average of LGD	Sum of EAD	Sum of ECL
			Frw	Frw
A+	0.000%	40%	40,873,482	-
B-	18.611%	40%	2,277,397	28,256
B+	6.868%	16%	11,577,699	233
BB+	0.242%	40%	8,930	9
BBB	0.073%	40%	497	
BBB+	0.078%	40%	672,915	211
			55,410,920	28,708

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15. Government Securities at amortized cost (continued)

Bonds

Rating	Average of LGD	Average of PD	Sum of EAD	Sum of ECL
			Frw'000	Frw'000
B+	6%	1.4%	2,437,142	20,750
			2,437,142	20,750

Bills

Ratings	Average of LGD	Average of PD	Sum of EAD	Sum of ECL
			Frw'000	Frw'000
B+	5%	1.4%	26,815,863	11,850
			26,815,863	11,850

Placements

Ratings	Average of LGD	Average of PD	Sum of EAD	Sum of ECL
B	45%	0.0595%	180,000,000.00	48,183.99
BBB	45%	0.0023%	10,686,635,394.67	110,312.61
BBB+	45%	0.0013%	5,826,481,571.51	33,728.34
			16,693,116,966.18	192,224.94



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16. Customer loans and advances

	2025 Frw 000	2024 Frw 000
Loans and advances classified as:		
Loans and receivables (amortized cost)	126,753,274	94,731,015
	126,753,274	94,731,015
Loans and advances at amortized cost		
Term loans	87,179,225	44,841,396
Mortgages	18,038,181	14,117,632
Asset finance	8,944,257	9,826,769
Overdrafts	17,326,084	29,142,173
Credit cards	53,021	-
Gross loans and advances	131,540,768	97,927,970
Less: Expected credit loss		
- Stage 1	(1,941,375)	(938,682)
- Stage 2	(515,552)	(355,633)
- Stage 3	(2,330,567)	(1,902,640)
Total ECL	(4,787,494)	(3,196,955)
Net customer loans and advances	126,753,274	94,731,015
Current and non-current analysis:		
Current	20,834,056	29,142,173
Non-current	105,919,218	65,588,842
	126,753,274	94,731,015

Movements in provisions for impairment of loans and advances are as follows:

	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2025				
At 1 January	938,682	355,633	1,902,640	3,196,955
Charge for the year	995,973	229,337	2,515,519	3,740,828
Recoveries/Loans written off during the year	6,721	(69,418)	(2,087,404)	(2,150,101)
At 31 December 2025	1,941,375	515,552	2,330,755	4,787,682

Movements in provisions for impairment of loans and advances

	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2024				
At 1 January	1,160,547	988,027	3,651,695	5,800,269
Charge for the year	(221,865)	(252,512)	5,481,835	5,007,458
Loans written off during the year as uncollectible	-	(379,882)	(7,230,890)	(7,610,772)
At 31 December 2024	938,682	355,633	1,902,640	3,196,955

17. Other assets

	2025 Frw'000"	2024 Frw'000"
Deposits, prepayments and other deferred charges	368,151	231,730
Mobile banking account*	23,534,127	9,978,280
Other receivables **	5,368,769	3,725,360
	29,271,047	13,935,370

*The "Mobile banking account" represents short-term settlement balances arising from mobile-money transactions processed on behalf of customers, including cash-in/cash-out, merchant payments, wallet funding, and settlements with mobile network operator partners. These balances are operational in nature, subject to rapid turnover, and do not represent loans or credit exposures.

**Other assets include a commercial property in Kigali (RWF 2 billion) held for disposal, the MTN settlement account (RWF 1.3 billion), staff advances, and withholding tax recoverable.

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18. Property and equipment

	Improvements on leased properties Frw 000	Equipment, furniture and fittings Frw 000	Motor vehicles Frw 000	Capital Work in progress Frw 000	Total Frw 000
Cost					
As at 1 January 2025	1,793,575	4,256,127	218,270	1,122,541	7,390,513
Additions	732,287	1,108,889	-	897,976	2,739,152
write offs	-	(7,747)	-	-	(7,747)
As at 31 December 2025	2,525,862	5,357,269	218,270	2,020,517	10,121,918
Depreciation					
As at 1 January 2025	(459,243)	(3,136,869)	(145,262)	-	(3,741,374)
Charge for period	(114,110)	(754,769)	(31,275)	-	(900,154)
write offs	710	-	(2,251)	(112,231)	(113,772)
As at 31 December 2025	(572,643)	(3,891,638)	(178,788)	(112,231)	(4,755,300)
Net Book Value					
As at 1 January 2025	1,334,332	1,119,258	73,008	1,122,541	3,649,139
As at 31 December 2025	1,953,219	1,465,631	39,482	1,908,286	5,366,618

Property and equipment with a cost of Frw 3.7Bn were fully depreciated as at 31 December 2025. All property plant and equipment are classified as non-current assets.



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18. Property and equipment (Continued)

	Improvements on leased properties Frw 000	Equipment, furniture and fittings Frw 000	Motor vehicles Frw 000	Capital Work in progress Frw 000	Total Frw 000
Cost					
As at 1 January 2024	1,772,070	3,719,886	249,095	148,111	5,889,162
Charge for period	21,171	536,916	-	974,430	1,532,517
Disposals	-	(84,761)	(30,825)	-	(115,586)
Write offs	334	84,086	-	-	84,420
As at 31 December 2024	1,793,575	4,256,127	218,270	1,122,541	7,390,513
Depreciation					
As at 1 January 2024	(358,739)	(2,477,201)	(137,784)	-	(2,973,724)
Charge for the period	(100,504)	(429,904)	(38,303)	-	(568,711)
Disposals	-	84,761	30,825	-	115,586
Write offs	-	(314,525)	-	-	(314,525)
As at 31 December 2024	(459,243)	(3,136,869)	(145,262)	-	(3,741,374)
Net Book Value					
As at 1 January 2023	1,413,331	1,242,685	111,311	148,111	2,915,438
As at 31 December 2024	1,334,332	1,119,258	73,008	1,122,541	3,649,139

*Correction relates to adjustment on depreciation between asset register and the trial balance.



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19. Intangible assets

	2025	2024
	Frw'000	Frw'000
Intangible assets		
Cost		
At 1 January	2,399,348	2,547,957
Additions	26,400	-
Reclassification	<u>(40,673)</u>	<u>(148,609)</u>
As at 31 December	2,385,075	2,399,348
Amortization		
At 1 January	(1,840,222)	(1,765,740)
Charge for the year	(299,747)	(308,321)
Reclassification*	<u>(8,487)</u>	<u>233,839</u>
As at 31 December	(2,148,456)	(1,840,222)
Net book value	236,619	559,126

Intangible assets comprise capitalized computer software costs which are amortized over estimated useful lives of three to ten years. Remaining useful lives of these intangible assets vary but do not exceed ten years.

Intangible assets are classified as noncurrent.

20. Right of use assets

	2025	2024
	Frw'000	Frw'000
Cost		
As at 1 January	6,751,805	3,695,105
Additions	2,843,136	3,056,700
	<u>9,594,941</u>	<u>6,751,805</u>
Accumulated depreciation		
As at 1 January	(2,389,647)	(1,824,807)
Depreciation for the year	<u>(776,718)</u>	<u>(564,840)</u>
	<u>(3,166,365)</u>	<u>(2,389,647)</u>
As at 31 December	6,428,576	4,362,158

Some leases of office premises contain extension options exercised by the Bank up to one year before the end of the non-cancellable contract period. Where practicable, the Bank seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercising only by the Bank and not by the lessors. The bank assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The bank reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The bank has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of 13Bn.

Right of use assets are classified as non-current assets.

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21. Customer Deposits

	2025	2024
	Frw 000	Frw 000
Current accounts	145,861,565	85,716,663
Term deposits	11,669,188	25,022,744
Savings accounts	25,966,844	53,624,915
	<u>183,497,597</u>	<u>164,364,322</u>
Current and non-current analysis		
Current accounts	171,828,409	139,341,578
Non-current	11,669,188	25,022,744
At end of year/period end	<u>183,497,597</u>	<u>164,364,322</u>

The weighted average interest rate on interest-bearing customer deposits for the year was 4.7%. This rate has been calculated by dividing total interest expense on interest-bearing deposits by the average balance of those deposits during the year. Interest-bearing fixed deposits and savings accounts carry fixed interest rates.

22. Balances due to Other Banks

	2025 Frw 000	2024 Frw 000
Maturing within 3 months		
Current account balances	36,763,778	=
	<u>36,763,778</u>	

Balances due to banking institutions carry an average cost of funds of 4.6% and had maturities of less than 91 days as at 31 December 2025.

23. Due to group

	2025	2024
	Frw 000	Frw 000
Due to NCBA Bank PLC	2,568,114	629,537

The intercompany balance with NCBA Bank, the ultimate parent, relates to services rendered to NCBA Rwanda PLC and is non-interest bearing.

24. Other Liabilities

	2025	2024
	Frw'000	Frw'000
Accrued expenses*	2,152,312	1,910,501
Other settlement items	3,452,476	2,717,581
Provision and other liabilities	1,586,753	2,404,707
	<u>7,191,541</u>	<u>7,032,789</u>

Accrued expenses represent operating costs incurred before year-end but not yet settled.

Other settlement items mainly include short-term operational and intercompany settlement balances, amounts in transit and merchant-related settlement items pending reconciliation.

Other liabilities include the loss allowance for off-balance-sheet exposures, amounting to Frw 548,372 thousand in 2025 (2024: Frw 108,518 thousand). Other items consist of statutory payables (such as withholding tax and VAT), payroll-related suspense accounts, dormant balances, bonus accruals, and various customer or operational payables.

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25. a) Deferred Income Tax

Deferred income tax is calculated using the enacted income tax rate of 28% (2024 - 28%). The movements in the deferred income tax account were as follows:

	2025	2024
	Frw 000	Frw 000
At start of year	482,534	899,803
Charge for the year	1,438,066	(417,269)
Prior year adjustment	7,988	-
At end of year	1,928,588	482,534

Deferred income tax assets and liabilities, deferred income tax credit in profit or loss and deferred income tax charge in shareholders' equity are attributable to the following items:

Year ended 31 December 2025	At start of year	Credited / (debited) to profit or loss	At end of year
	Frw 000	Frw 000	Frw 000
Deferred income tax assets			
Property and equipment	610,634	(22,085)	588,549
Provision for impairment losses	(3,458,189)	1,310,613	(2,147,576)
IFRS 16 leases	347,563	149,538	497,101
Other provisions	2,982,526	-	2,982,526
Prior year adjustment	-	7,988	7,988
Net deferred income tax asset/ (liability)	482,534	1,446,054	1,928,588

Year ended 31 December 2024	At start of Year	Credited / (debited) to profit or loss	At end of Year
	Frw 000	Frw 000	Frw 000
Deferred income tax assets			
Property and equipment	158,732	3,100	155,632
Provision for impairment losses	(814,380)	(478,972)	(362,408)
IFRS 16	316,641	(423,869)	107,228
Other provisions	(99,486)	482,472	(382,986)
Accumulated tax losses	-	-	-
Net deferred income tax asset	899,803	(417,269)	482,534

The bank has recognized deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The bank has made a projection that it will be able to generate sufficient taxable profit to allow it to utilize tax losses carried forward.

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25. Lease Liabilities

	2025	2024
	Frw'000	Frw'000
At 1 January	3,979,200	1,514,993
Additions during the year	2,853,467	3,056,700
Interest expense (included in finance cost)	431,260	390,854
	7,263,927	4,962,547
Total Principal Repayments	(564,481)	(592,493)
Total Interest Repayments	(119,763)	(390,854)
	(684,244)	(983,347)
Closing balance	6,579,683	3,979,200
Commitments for future minimum lease payments		
Due within 1 year	1,036,257	983,082
Due within 1 year and 5 years	1,636,433	1,036,257
Due after 5 years	3,906,993	1,959,861
Current and non-current analysis		
Current	1,036,257	983,082
Non-current	5,543,426	2,996,118
Closing balance	6,579,683	3,979,200

26. Borrowings

	2025	2024
	Frw 000	Frw 000
At 1 January	15,416,036	16,210,718
Additions	-	1,000,000
Accrued interest	79,543	479,918
Interest Repayments	(538,385)	(420,430)
Principle Repayments	(964,231)	(1,854,170)
At 31 December	13,992,963	15,416,036
Maturity Profile:		
Current	1,789,980	59,488
Non-current	12,202,983	15,356,548
At 31 December	13,992,963	15,416,036

The Bank raised unsecured facilities totaling RWF 16.2 billion from the Rwanda Development Bank (RDB) in three tranches, with repayment periods ranging from 5 to 12 years. The outstanding principle as at 31 December 2025 was RWF 13.99 billion (2024: RWF 15.4 billion).

The loan relates to the Affordable Housing Program under the Rwanda Housing Finance Project (RHFP), where funds must be on-lent to eligible beneficiaries and the financed properties serve as collateral. Key terms require the Bank to utilise funds strictly for affordable-housing mortgages and comply with BRD's reporting and monitoring obligations; the facility carries interest per the financing agreement, follows an agreed amortisation schedule, and does not require additional corporate collateral beyond the underlying mortgage assets.

The borrowing is measured at amortised cost in accordance with IFRS 9, with interest recognised using the effective interest rate (EIR) method, and is subject to the Bank's standard credit-risk assessment and impairment policies.



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27. Share Capital

	2025 December	2025 December	2024 December	2024 December
	Number of authorized shares (thousands)	Value Frw 000	Number of authorized shares (thousands)	Value Frw 000
Authorised				
At 1 January	3,040	30,399,604	3,040	30,399,604
Shareholders capital injection	=	=	=	=
At 31 December	3,040	30,399,604	<u>3,040</u>	<u>30,399,604</u>
Issued and fully paid				
At 1 January	3,040	30,399,604	3,040	30,399,604
Shareholders capital injection	=	=	=	=
At 31 December	<u>3,040</u>	<u>30,399,604</u>	<u>3,040</u>	<u>30,399,604</u>

The shares are ordinary, issued and fully paid. The par value of shares is Frw 10,000. There are no further restrictions or preferences attached to the shares.

28. Off-Balance sheet financial Instruments and contingent liabilities and commitments

The bank conducts business involving acceptances, guarantees, performance bonds and indemnities. These facilities are obligations on behalf of customers, in the normal course of business, matched and with recourse. ECL has been disclosed under note 7

	2025 Frw 000	2024 Frw 000
Off balance sheet items and commitments		
Guarantees	27,392,939	18,232,073
Letters of credit	13,291,348	4,520,613
	<u>40,684,287</u>	<u>22,752,686</u>
Expected credit losses*	<u>(548,372)</u>	<u>(108,518)</u>

* The loss allowance for off-balance-sheet exposures is recognised as a provision and presented under Note 24 Other liabilities. Additional qualitative and quantitative details on credit risk and expected credit losses are disclosed in Note 3 Financial risk management objectives and policies, under the section titled "Credit quality of loans and advances."

Nature of off-balance sheet financial instruments

The Bank issues guarantees and letters of credit to support its customers' obligations to third parties. Guarantees are initially measured at fair value and subsequently at the higher of the expected credit loss allowance and the initial premium less income recognized. Letters of credit commit the Bank to make payments on presentation of specified documents and are subsequently reimbursed by the customer; these are treated as financing commitments and assessed for expected credit loss only if they qualify as financial guarantees. The Bank's policy clearly distinguishes between guarantees and letters of credit, ensuring appropriate recognition, measurement, and disclosure.

Nature of Commitments

Commitments to lend are agreements to lend to a customer in future, subject to certain conditions, and are normally for a fixed period. The bank may withdraw from its contractual obligation for the un-drawn portion of agreed overdraft limits by giving reasonable notice to a customer.



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29. Related Parties

The ultimate Parent company is NCBA Bank Plc. which is incorporated in Kenya. A person or entity is considered related to a reporting entity if any of the following applies;

If a person has control or joint control over the reporting entity; has significant influence over the reporting entity; or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Entities are considered related to the reporting entity if they are members of the same Bank, one entity is an associate, subsidiary or joint venture of the other entity (or a Bank), both entities are joint ventures of the same third party, one entity is a joint venture of a third entity and the other entity is an associate of the third entity, the entity is a post-employment defined benefit plan for the benefit or employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. The entity, or any member of a Bank of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity. The relevant balances at the end of the year and income / expense thereon are shown below:

Loans and advances to staff and directors	2025	2024
	Frw 000	Frw 000
At start of year	245,747	328,566
Advanced during the year	4,023,628	138,041
Repaid during the year	(358,663)	(220,861)
At end of year	5,729,469	245,747

Loans and advances to other key management personnel - Bank

Loans and advances to other key management personnel	1,358,584	430,245
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Income earned on related party transactions -

	Frw 000	Frw 000
Interest income earned on related party loans and advances during the year	3,190,329	205,068
Commissions earned on related party loans and advances during the year	-	-

All facilities and arrangements relating to the above loans and advances have been made in the normal course of business and on terms similar to those applicable to third parties. The loans and advances are to companies on whose Boards the Directors serve and to companies with common shareholders as those of the Bank

Related party deposits - Group

	2025	2024
	FRW '000	FRW '000
Related party deposits	347,531	544,630
Interest expense incurred on related party deposits during the year	(1,518)	(3,085)
	347,529	541,545

Financial guarantees-NCBAK	21,956,855	245,747
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Key management personnel compensation

	Bank	2024
	2025	Frw'000
	Frw'000	Frw'000
Salaries and other short-term employment benefits	1,358,584	837,875
Post-employment benefits	-	86,301
	1,358,584	924,176

Key management personnel are described as those people who have authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director.

Directors' remuneration

	2025	2025
	Rwf '000	Rwf '000
Fees for services as Directors	570,408	753,942

The loans to Directors are fully secured.

For and on behalf of the Bank
 Director
 W/K

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30. Events after the reporting period

On 21 January 2026, NCBA Group PLC ("the Group"), the ultimate holding company, received a Notice of Intention from Nedbank Group Limited ("Nedbank"), a diversified financial services group headquartered in South Africa, to acquire approximately 1,087,362,891 ordinary shares in NCBA Group PLC, representing approximately 66% of the issued share capital, by way of a partial tender offer to existing shareholders. This proposed transaction, if successful, will result in NCBA Group PLC becoming a subsidiary of Nedbank, with the remaining 34% of shares continuing to be listed on the Nairobi Securities Exchange.

The consideration to participating shareholders will comprise 20% cash and 80% in new Nedbank ordinary shares listed on the Johannesburg Stock Exchange. NCBA Shareholders, who will have accepted the offer and would receive less than 200 Nedbank Shares, shall be paid their full consideration in cash. Nedbank has received irrevocable undertakings from shareholders holding approximately 71.2% of NCBA's ordinary shares to accept the tender offer in respect of their pro-rata entitlement. The transaction is subject to regulatory approvals, including from the Capital Markets Authority (Kenya), Central Bank of Kenya, and other relevant competition authorities.

The transaction is expected to close within six to nine months from the date of the announcement, subject to the satisfaction of all condition's precedent. Management has assessed the nature of this event in accordance with IAS 10, "Events after the Reporting Period". The proposed acquisition represents a non-adjusting event after the reporting period as the transaction was not concluded as at the reporting date and does not provide evidence of conditions that existed at the reporting date.

However, the transaction is considered material and of such significance that non-disclosure could influence the economic decisions of users of the financial statements. Accordingly, the following disclosures are made:

- If completed, the transaction will result in a change of control, with NCBA becoming a subsidiary of Nedbank.
- The business combination positions NCBA as the cornerstone investment vehicle for Nedbank's East African expansion while allowing it to retain its independent governance structures, local leadership, brand identity, and NSE listing.
- The transaction is expected to generate significant synergies, including enhanced corporate and investment banking capabilities, increased resource base, and expanded growth opportunities in East Africa.
- There will be no immediate integration of systems and operations, as Nedbank currently only maintains a representative office in East Africa.

The Group will continue to monitor developments and will provide further disclosures as appropriate in future reporting periods.



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31. Capital Management

The bank’s objectives when managing capital, which is a broader concept than the ‘equity’ on the face of the statement of financial position, are to comply with the capital requirements set by the regulators and 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 as well as maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored regularly by the Directors, employing techniques based on guidelines developed by the Basel Committee, as implemented by the regulatory authorities for supervisory purposes. Returns on capital adequacy are filed with the regulators on a regular basis.

The level of capital is reviewed on an annual basis and is determined principally by the level of business growth realized during the period.

In Rwanda, the Central Bank requires each banking institution to:

- a)hold a minimum level of regulatory capital of Frw 5 billion;
- b)maintain a ratio of core capital to the risk-weighted assets at a minimum of 12.5%;
- c)maintain a ratio of total capital to risk-weighted assets at a minimum of 15%.

During the period under review, NCBA Bank Rwanda Plc maintained capital adequacy ratios at levels above the stipulated minimum regulatory benchmarks. In line with Basel and local regulatory guidelines, total capital is divided into two tiers as follows:

- Tier 1 capital (core capital): comprises share capital, share premium and retained earnings.
- Tier 2 capital (supplementary capital): comprises 25% (subject to regulatory approval) of property revaluation reserves, statutory credit risk reserve, subordinated debt not exceeding 50% of tier I capital and hybrid capital instruments. Qualifying tier II capital is limited to 100% of tier I capital.
- Statutory credit risk reserve qualifying as tier II capital cannot exceed 1.25% of risk weighted assets total value.

Risk weighted assets are measured by means of a hierarchy of four risk weights classified according to the nature of (and reflecting an estimate of the credit risk associated with) each asset and counterparty. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses. The table below summarizes the composition of regulatory capital and capital adequacy ratios of NCBA bank as at 31 December 2025.

The table below summarises the composition of regulatory capital and capital adequacy ratios of the Bank as at 31 December 2025.



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I. Capital Strength	
	31 December 2025
a. Core Capital (Tier 1)	42,139,601
b. Supplementary Capital (Tier 2)	2,162,984
c. Total Capital	44,302,585
d. Total Risk weighted assets	173,038,767
e. Core Capital/Total risk weighted assets ratio	24.4%
f. Tier 2 ratio	1%
g. Total Capital/Total risk weighted assets ratio	25.6%
h. Leverage Ratio	13%
II. Credit Risk	
a. On-balance sheet exposure	131,555,407
b. Guarantees, commitments given	27,392,939
c. Financing commitments given	
d) Letters of credit	13,291,348
Total gross credit risk exposures	172,239,694
III. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	
Public	33,056,321
Infrastructure and construction	25,106,389
Manufacturing	20,684,789
Services and commerce	13,875,294
Transport and Telecommunication	5,108,786
Others	33,723,828
6. Non-Performing Loans	
(a) Nonperforming Loans	2,904,700
(b) NPL Ratio	2.4%
7. Related Parties	
a. Loans to Directors, shareholders and parent company	405,173
b. Loans to Employees	5,324,296
8. Restructured loans as at 31 December 2025	
a. No. of borrowers	10
b. outstanding amount (Frw '000)	682,683
c. Provision thereon (Frw '000) (regulatory):	12,133
d. Restructured loans as % of gross loans	0.5%
III. Liquidity	
a. Liquidity Coverage ratio (LCR)	171%
b. Net Stable Funding ratio (NSFR)	210%

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IV. Operational Risk	
	Amount*Frw000'
Number and type of frauds and their corresponding amount	
V. Market Risk	
1. Interest rate risk	
2. Equity position risk	
3. Foreign exchange risk	2,024,398
VI. COUNTRY RISK	
1. Credit exposures abroad	-
2. Other assets held abroad	19,362,056
2. Liabilities due abroad	-
VII. Management and Board Composition	
a. Number of Board members	9
b. Number of independent Directors	6
c. Number of non-independent Directors	3
d. Number of female Directors	3
e. Number of male Directors	6
f. Number of Senior Managers	12
g. Number of female senior managers	1
h. Number of male senior managers	11

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