2025

ANNUAL REPORT

Proudly African, Truly International

GTCO

Guaranty Trust Bank (Rwanda) plc

Introduction

The Consolidated Financial Statements of Guaranty Trust Bank (Rwanda) Plc have been prepared in compliance with the applicable legal and regulatory requirements of the National Bank of Rwanda relating to annual financial reporting. The report includes both the separate and consolidated financial statements of the Bank for the year ended 31 December 2025. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). To enhance clarity and comparability, certain disclosures and prior-year figures have been reclassified or presented in line with the current year's format where necessary. Due to rounding, figures presented throughout this document may not add up precisely to the totals provided, and percentages may not exactly correspond to the absolute figures.

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01 Company Information

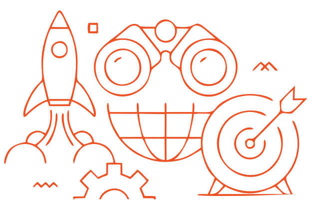
OVERVIEW

Guaranty Trust Bank (Rwanda) Plc is a subsidiary of Guaranty Trust Holding Company Plc (GTCO), a leading financial institution with 11 subsidiaries across West Africa, East Africa, and the United Kingdom. In 2013, GTCO acquired the Fina Bank Group, which had operated in Kenya for over 25 years and maintained subsidiaries in Rwanda and Uganda. Following this acquisition, Fina Bank (Rwanda) Ltd was rebranded as GTBank (Rwanda) Plc.

GTCO currently employs over 10,000 professionals across Nigeria, Rwanda, Côte d'Ivoire, The Gambia, Ghana, Liberia, Kenya, Uganda, Sierra Leone, Tanzania, and the United Kingdom. The Group is also listed on both the Nigerian Exchange and the London Stock Exchange.

The acquisition of Fina Bank Group's operations in Rwanda, Uganda, and Kenya marked GTBank's entry into the East African market and further strengthened its "Proudly African and Truly International" philosophy. Today, GTBank (Rwanda) Plc is recognized for its strong service culture and operates a network of 14 branches across Rwanda's four provinces and the City of Kigali.

VISION AND MISSION STATEMENT



VISION

To be Africa's leading financial services institution.

MISSION

To make end-to-end financial services easily accessible to every African and business by leveraging technology and strategic partnerships.

Our Culture Code

TOGETHER,

WE ARE AT OUR BEST.

TOGETHER

T - Trust
O - Openness
G - Guidance
E - Exceptionality
T - Think Critically
H - Hard work
E - Ethics
R - Respect

Our culture is the values that we live by.

TOGETHER, is how we bring the best of our skills, standards, and ambitions to deliver on our vision of becoming Africa's leading financial institution.

BUSINESS ACHIEVEMENTS

Driving Inclusive Growth Through Innovation and Seamless Banking

In 2025, Guaranty Trust Bank (Rwanda) Plc reinforced its commitment to delivering innovative, accessible, and customer-centric financial solutions. Through a series of strategic product enhancements and digital advancements, the Bank continues to break barriers to financial access—empowering individuals, businesses, and communities to thrive in an increasingly digital economy.

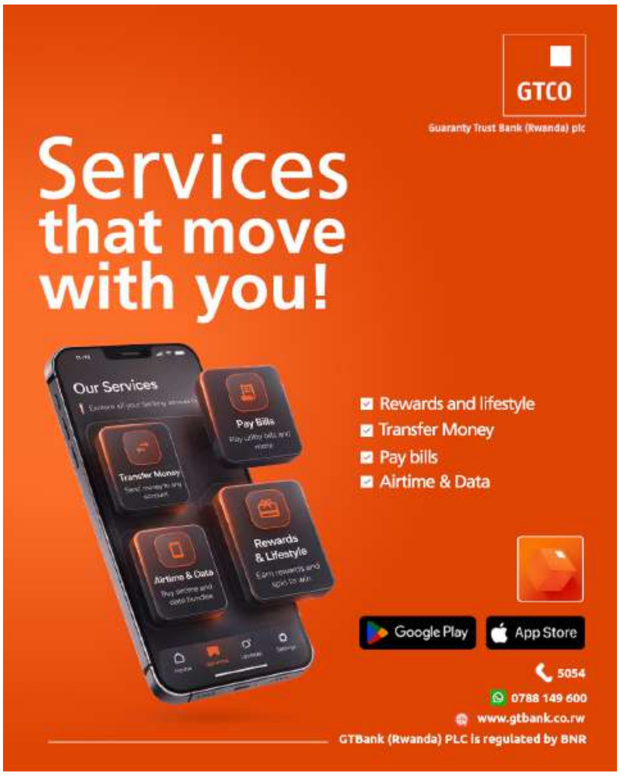
A key milestone during the year was the launch and rapid growth of Mpay, a highly intuitive merchant collection solution designed to simplify how businesses receive payments. By enabling SMEs and corporate merchants to transact using unique merchant codes, Mpay has significantly reduced the cost and complexity of doing business. Its adoption has accelerated financial inclusion and strengthened the Bank's role in enabling seamless commerce across Rwanda.

Building on this momentum, the Bank expanded its digital ecosystem with solutions tailored to meet diverse customer needs. Through Mpay Till Code, merchants were equipped with simple, secure tools to receive payments instantly, while Mpay Credit provides collateral-free loans of up to RWF2 million, ensuring that small businesses have access to the working capital required for growth.

To further support enterprise development, the Bank scaled its Point-of-Sale (POS) acquiring business by providing free POS terminals, complemented by the POS Business Loan, which offers collateral-free financing of up to RWF 10 million to help merchants expand their operations and improve service delivery.

Convenience and speed remained at the core of the Bank's customer experience strategy. Solutions such as Quick Credit allowed customers to access loans within minutes through a simple digital process, while Instant ATM Card Issuance ensures customers receive their cards immediately upon account opening. In parallel, Digital Account Opening (1Min Max) has transformed onboarding by enabling customers to open and operate accounts remotely, eliminating the need for branch visits.

The Bank also strengthened its payments ecosystem through GTPay (*549#), a USSD-based platform that allows customers, regardless of account ownership, to conveniently pay for essential services such as school fees, insurance, and community contributions. Complementing this is GTWebPay, which empowers businesses to securely accept online payments, supporting the growth of e-commerce and digital trade. We also launched GTWorld Mobile App to cater to the Retail Banking segment.



In line with its commitment to affordability and inclusion, the Bank introduced the Bundle Current Account, offering zero monthly maintenance fees, and expanded access to specialized solutions such as the Diaspora Account, which enables Rwandans abroad to manage their finances and invest back home with ease.

Further advancing inclusive lending, the Bank deployed GTSmartScore, a data-driven credit assessment tool that enhances access to financing by enabling faster and more objective credit decisions. The Bank also deepened its support for grassroots financial systems through tailored Cooperative Account, SACCO Account and Ikimina Account, strengthening group and community-level financial inclusion.

Strategic partnerships continued to play a critical role in enhancing service delivery. The integration with Irembo has simplified access to government services, allowing customers to make payments seamlessly through GTBank channels.

Crowning these achievements is the Inzozi Zawe Loan, a transformative financing solution offering customers access to up to RWF300,000,000 at a compellingly competitive interest rate. Designed to empower individuals and businesses to realize their ambitions, this product reflect-sthe Bank's bold approach to redefining access to credit and enabling long-term prosperity.

Through these innovations, Guaranty Trust Bank (Rwanda) Plc continues to set new bench-marks in digital banking, delivering solutions that are not only efficient and reliable but also deeply aligned with the aspirations of the people it serves.

Wouldn't You Rather Bank With Us?

AML/CFT/CFP FRAMEWORK

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework

Guaranty Trust Bank (Rwanda) Plc, is committed to the fight against all forms of financial crime, which includes, money laundering, terrorism financing, Proliferation financing and bribery and corruption. To show this commitment, the Company has continually implemented a framework for Anti-Money Laundering ("AML"), Combating the Financing of Terrorism ("CFT") and Combating Proliferation financing (CPF). Strict adherence to this framework is mandatory for all employees.

Guaranty Trust Bank (Rwanda) Plc's framework ensures compliance with AML/CFT/CPF legislation and regulations in Rwanda and has incorporated leading best practices including, but not limited to:

•The Financial Action Task Force (FATF) 40 Recommendations.
- Money Laundering (Prevention and Prohibition)
- Terrorism (Prevention and Prohibition)
- BNR AML/CFT/CPF Regulations, 2023.

FIC AML/CFT/CPF Regulation, 2023
- Corrupt Practices and Other Related Offences
- Central Bank of Rwanda (BNR) Circulars.

Financial Intelligence Centre (FIC) Circulars

Structure of the Framework

The Bank has developed policies and procedural guidelines and these documents are regularly reviewed/revised to ensure that they remain relevant and current and are in line with the evolving regulatory requirements and best practices. The policies and procedures clearly articulate the Bank's AML/CFT/CPF stance in the global fight against financial crime and are available on the Company's intranet site for access to all employees at any point in time.

Annually, the Bank's Compliance Policies are reviewed and approved by the Board of Directors and where it is necessary to update the policies between cycles, an addendum is issued for implementation and incorporated in the relevant Policy at the next annual review.

Consequently, the Bank identifies and assesses the risks from a proactive stance and allocates the requisite resources which center around systems and controls to manage these risks.

Scope of the Framework

The scope of the AML/CFT/CPF framework

(i) Board and Management Responsibilities: includes the following:

In accordance with AML/CFT/CPF global best practice, the "tone is set from the top". The Board of Directors have oversight responsibilities for the AML/CFT/CPF framework of the Bank. The Board ensures that the Banks' Management and all employees adhere strictly to all regulatory and internal procedures relating to relating to AML/CFT/CPF and that the Bank maintains a zero-tolerance threshold to regulatory infraction. The Bank's Head of Risk and Compliance is appointed by the Board of Directors and approved by the Central Bank of Rwanda (BNR).

(ii) Reports to Senior Management and the Board:

On a monthly and quarterly basis, AML/CFT/CPF reports are submitted to the Bank's Senior Management and the Board members respectively. These reports provide the Board and Senior Management with information to enable them to assess the Bank's compliance with its regulatory obligations. The reports also ensure that Directors and Senior Management are kept abreast of current trends and developments in the financial industry, particularly in the area of AML/CFT/CPF risk management.

(iii) Know Your Customer (KYC) Procedures:

In order to ensure that only customers that align with the Bank's risk appetite are on-boarded, duly completed account opening forms, identification document and other relevant information and documents are provided.

Customer Due Diligence (CDD) is conducted by the Bank prior to entering any banking relationship with a customer. This includes at a minimum, identity and address verification as well as ascertaining the source of income and wealth of the customer.

Customers that are identified as high risk are subjected to an Enhanced Due Diligence (EDD). EDD is conducted on such customers including Politically Exposed Persons (PEPs) to assess and manage the risks that the customers may pose. The approval of Senior Management and the Compliance team is required prior to the commencement of a banking relationship with such high- risk customers.

In compliance with regulatory requirements and perceived AML/ CFT/CPF risk threats, Designated Non-Financial Businesses and Professionals (DNFBPs) and other similar businesses are required to undertake requisite and regulatory measures prior to account opening.

As part of the Bank's KYC and CDD procedures, identification documents are requested and obtained to confirm the ultimate beneficial owners of a business and the organization's control and structure.

The Bank has procedures in place to ensure sanction screening is conducted prior to entering into a relationship as well as prior to effecting a transaction, so that we do not enter into a relationship with a sanctioned person/entity.

The Bank is also in compliance with the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards criteria, and thus, have put measures in place to identify the defined persons in the Bank's database. All identified US persons are required to complete the requisite tax forms i.e., W8 BEN, W8 BEN-E and W9.

(iv) Transaction Monitoring:

Transaction monitoring is done using manual and automated methods across the Bank. The former is performed by employees, who regularly identify red flags in transactions/activities and the latter

Enhanced due diligence measures are applied to PEPs, as with other high-risk customers to mitigate the AML/CFT/CPF risk they pose. This is to ensure that the Bank is not unknowingly supporting activities such as money laundering and/or the financing of terrorism.

In line with Financial Action Task Forces recommendation, the Bank employs the use of an automated monitoring tool in identifying and monitoring PEP transactions. This is achieved through the thorough review of information provided by customers and their transaction trends. Continuous monitoring is also carried out on these accounts.

On-boarding of new PEP accounts, as well as continuity of such accounts (for those already existing in the system) is subject to the approval of Senior Management or the Risk and Compliance Team.

(ix) AML/CFT/CPF principles for Correspondent Banking:

The Bank only on-boards and maintains correspondent banking relationships with financial institutions that have implemented adequate AML/CFT/CPF policies and procedures.

The Bank does not enter in any form of relationships with shell banks nor maintain any payable through accounts. The Compliance team ensures that due diligence, including adverse media searches, are performed annually on our correspondent relationships to mitigate potential AML/CFT/CPF risks.

(x) Prohibited Business Relationships

In line with international best practice, the Bank does not open accounts or conduct transactions for customers using pseudonyms or numbers instead of actual names or maintain relationships with individuals or entities that have been sanctioned.

(xi) Risk Assessment

The Bank ensures Risk Assessment is conducted on its customers, products and services. This is to ensure that AML/CFT/CPF risks are identified, assessed and mitigated.

(xii) Anti-Bribery and Corruption (ABC) and Anti-Fraud)

The Bank upholds the highest standards of ethical conducts in all its activities and interactions. The Bank has zero tolerance for any form of bribery, corruption, fraud and unethical practices. The Bank's Board Approved Ethics policy provides the requisite standards and principles on ethical conducts and practices expected and required across the Bank and our related stakeholders.

(xiii) AML/CFT/CPF Training:

The Company places a great importance on the training of its employees. Training is conducted to ensure employees are well informed and up to date on the AML/CFT/CPF laws, KYC principles and the red flags of money laundering or terrorism financing which may occur in their job functions.

Annual Compliance training is mandatory for the Board members and all levels of staff, including Senior Management. Trainings are conducted via e-learning, face to face or on an ad hoc basis by email or via e-learning, face to face or on an ad hoc basis by email or via intranet slides to the appropriate personnel in relation to topical national and international findings. Tests are also conducted annually after the trainings to ensure that all employees have understood the training contents.

(xiv) AML/CFT/CPF Audits:

To ensure compliance with laws and regulations and to ensure an ever-evolving fit for use of the Compliance function, the internal audit of the AML/CFT/CPF function is conducted on a quarterly basis. The purpose of the audit is to test the adequacy of the AML/CFT/CPF functions and ensure that the AML/CFT Measures are put in place, up to date and effective.

The reports and findings of the audit are circulated to Senior Management. A follow-up to the audits takes place to ensure that the relevant issues are closed out and that the highlighted recommendations have been implemented.

(xv) Record Retention:

In accordance with regulations, customer identification documents are retained throughout the life of the account and for ten (10) years after the cessation of the banking relationship. Transaction instruments are retained for ten (10) years after the transaction date. In litigation and/or regulatory investigations, the records will be kept for as long as they are required.

(xvi) Data Protection:

The Bank's Data Protection Policy is revised on an ad-hoc basis to reflect the legal, regulatory and operating environment. The Bank adheres strictly to both local and international data protection policies such as the National Data Protection Regulations in Rwanda and the European Union General Data Protection Regulation (EU-GDPR.)

(xvii) Subsidiaries:

In compliance with international best practice, the Bank ensures that its branches AML/CFT/CPF provisions are consistent with its framework. These measures are applied to the extent that the respective branches' local laws and regulations permit; However, where there is a variance the stricter regulation will always apply. Greater collaboration has been fostered and control measures taken based on the current international best practices. This is to ensure that all our branches maintain the highest standards for AML/CFT/CPF controls.

COMPLAINTS AND FEEDBACK

Introduction

At GTCO, our vision is to deliver the utmost in customer service. We understand the importance of our Customers' satisfaction to the achievement of our set goals. Hence, we have incorporated the 'Treating Customers Fairly' (TCF) policy, which underscores the Bank's commitment to high service standards, prioritizing customer interests, and managing conflicts impartially. This policy ensures that products are designed with clear, transparent attributes and that their performance are regularly reviewed based on customer feedback.

We recognize that Customer feedback is an important tool in monitoring and responding to Customer expectations; hence, we continued to embed good conduct practice across our business, with a range of initiatives to further improve the service and experience we offer to Customers.

The Feedback Channels / Customer Touchpoints

We value the feedback provided by our Customers, as such the following channels/touch points are available to encourage our Customers' interaction with the Bank:

- The Complaints received via the complaint portal on the Bank's website and letters;
- GT Connect (interactive helpline);
- CRM-enabled digital support channels, including email, WhatsApp, and social media platforms such as Facebook and Instagram, supported through the Bank's integrated Freshworks system (Freshdesk and Freshchat);
- The Customer Information Service desk at any of our branches;
- The Whistle Blowing portal on the Bank's website.

The Bank ensures that all complaints and requests received through these channels are monitored daily and resolved in a timely manner to enhance customer satisfaction and service efficiency.

Customers' opinion on products, services, and processes

The Bank constantly evaluates valuable insights provided by Customers and other stakeholders on our products, services, and policies in order to improve the business, products and overall Customer experience.

During the year, the Bank also conducted mystery shopping surveys to assess service quality, staff conduct, and adherence to internal procedures. The outcomes of these assessments were used to identify service gaps and strengthen customer experience delivery across all service channels.

Banking with Integrity and Customer Focus

At the heart of our operations is a steadfast commitment to integrity and a customer-centric approach which include:

Clear Communication:

The Bank ensures that all charges and fees comply with regulatory guidelines while clearly communicating terms and conditions to customers.

Customers are provided with reasonable timeframes to review and execute contracts, including a cooling-off period of up to thirty working days to cancel without penalty. Throughout the contract period, the Bank proactively engages with customers, notifying them of any changes to agreed terms and conditions.

Product and Service Improvement:

To enhance our products and services, the Bank analyzes data and customer feedback to identify recurring issues. These insights are reviewed by relevant stakeholders for learning purposes and to prevent recurrence of identified issues.

Personal Data Protection and Privacy:

The Bank remains committed to safeguarding customer information in compliance with applicable data protection and privacy laws. Customer data is protected against unauthorized access, with disclosure limited to statutory and regulatory requirements. Customers retain the right to withdraw consent for data processing at any time.

Customer Empowerment:

Empowering customers remains a key strategic focus. During the year, the Bank conducted Consumer Rights Month activities and participated in BNR Consumer Rights Week to enhance customer awareness on rights, complaint channels, and available redress mechanisms.

The Bank also carried out ATM card security awareness campaigns to educate customers on fraud prevention and safe usage of payment cards. In addition, customers were educated on digital banking platforms, including GAPS, iBank, FAQs, and PIN reset guides, to promote safe and efficient use of digital services.

Staff and management continued to receive training on complaints handling, regulatory compliance, and Treating Customers Fairly principles. Additional training was also provided on balancing service excellence with risk management to ensure strong customer protection while maintaining operational efficiency.

Complaints Handling and Resolution Structure

The Bank is committed to effective complaint handling and values feedback through complaints when they arise. The complaints and feedback structure ensures the prompt resolution of customers' complaints. The Customer Experience Unit of the Bank is responsible for overseeing the resolution of customer complaints and serves as the liaison between the Bank, customers, and regulatory authorities.

Complaints received are assigned unique reference numbers for tracking, acknowledged promptly, and resolved through the appropriate Bank channels. Where immediate resolution is possible, feedback is provided to the customer; otherwise, the issue is escalated to the relevant team for resolution. Customers are kept informed throughout the process until closure of the complaint.

During the year, the Bank also strengthened its complaints management framework through the development of an internal complaints handling policy aligned with regulatory requirements. Service Level Agreements (SLAs) were reviewed and updated to define clear timelines and responsibilities for resolution, thereby improving accountability and efficiency.

REPORTS

In line with the Central Bank of Rwanda guidelines on resolution of Customers' complaints, the Bank provides periodic reports to the National Bank of Rwanda (BNR).

Below is a breakdown of complaints received and resolved by the Bank between January and December 2025 pursuant to BNR regulation N° 55/2022 of 27/10/2022 relating to financial service consumer protection.

Description	Numbers
Received Complaints	425
Resolved Complaints	425
Unresolved Complaints pending that the Bank carried forward **	0

There were no outstanding complaints as of the end of 2025, and all complaints received during the year were successfully resolved.

CUSTOMER RELATIONS

At GTBank (Rwanda) plc, fostering strong and lasting relationships with our customers remains a top priority. Throughout 2025, we focused on enhancing the customer experience not only through efficient service delivery but also by creating meaningful moments that connect us more deeply with the people we serve.

In October 2025, the Bank joined the global celebration of Customer Service Week (CSW). All branches participated in a customer appreciation initiative aimed at expressing gratitude to our valued customers. The celebrations featured thoughtful gestures, including the sharing of cakes, drinks, and heartfelt words of appreciation. Each branch was transformed into a welcoming space of warmth and celebration, where customers were not only served but truly appreciated.

Building on this momentum, the Bank extended its appreciation efforts into the festive season in December 2025. Branches embraced the holiday spirit with cheerful decorations, light refreshments, and warm holiday greetings. These year-end engagements provided another opportunity to celebrate our customers and show our sincere appreciation for their continued loyalty.

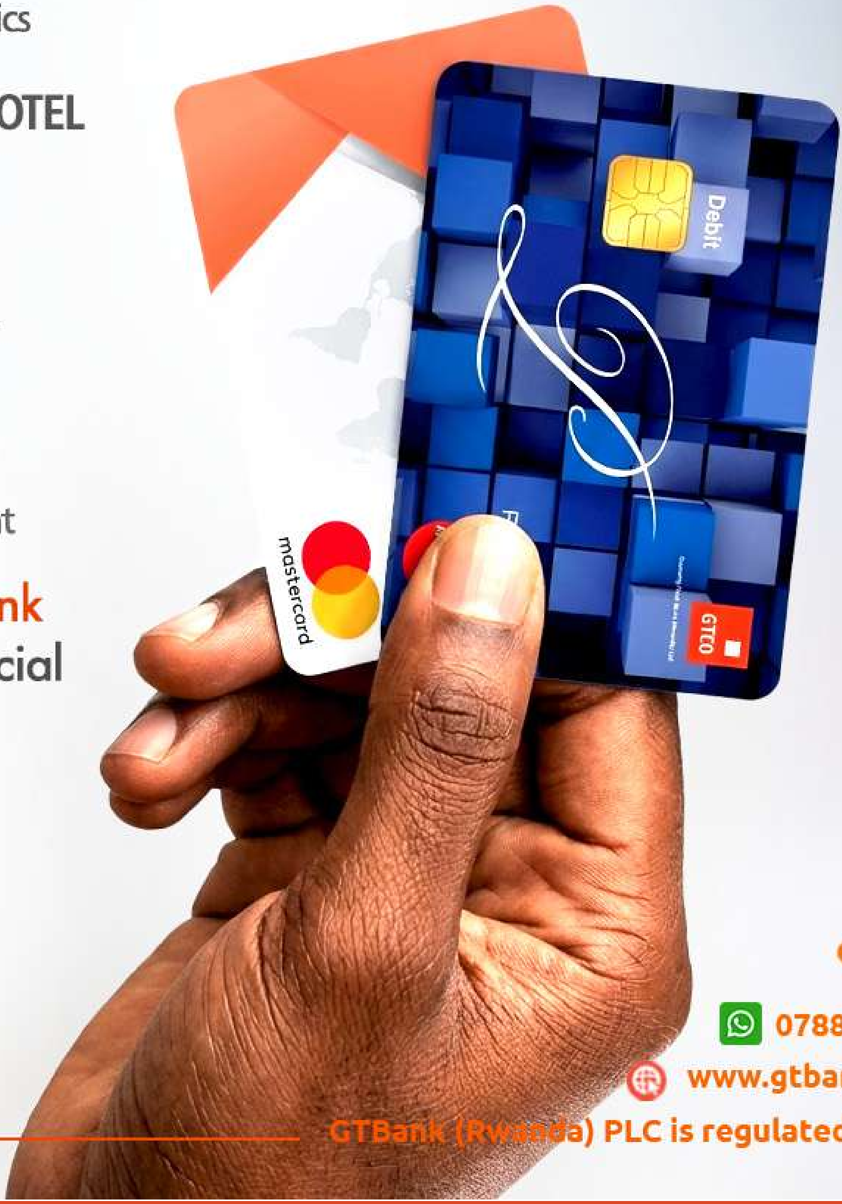
These initiatives were more than just festive occasions, they were part of a broader strategy to reinforce the Bank's commitment to building strong, people-centered relationships. The positive feedback received from customers during and after the celebrations affirmed the importance of creating such memorable, human-centered engagements. Many expressed their appreciation for the personal touch and the sense of being truly valued. By taking time to acknowledge and celebrate our customers, we continue to strengthen the bond between the Bank and its Customers, a relationship built on trust, care, and mutual respect.

GTCO

Guaranty Trust Bank (Rwanda) plc

Unlock Exclusive Discounts Today!

- **20%** **HERMAJESTY** Beauty & cosmetics
- **10%** **THE MANOR HOTEL**
- **25%** **CLEO HOTEL**
- **10%** **FITNESS POINT** Health & Fitness
- **25%** **SMARTHOME** Home equipment



Pay with your GTBank Card and enjoy special Discount.

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GTBank (Rwanda) PLC is regulated by BNR

Advancing Financial Inclusion Through Digital Innovation

In 2025, GTBank (Rwanda) plc continued to accelerate its digital transformation journey by introducing innovative solutions designed to enhance customer convenience, expand access to financial services, and promote greater financial inclusion. Through strategic investments in digital banking platforms, payment solutions, and technology-driven lending services, the Bank empowered individuals and businesses to transact more efficiently, access finance more easily, and participate more fully in the digital economy. These initiatives reflect our commitment to delivering seamless banking experiences while driving sustainable growth and innovation across Rwanda's financial sector.

Digital Solutions Introduced and Enhanced in 2025

Mpay- Merchant collection platform enabling businesses to receive payments through unique merchant codes (MPay Till Code).

Mpay Credit – Digital, collateral-free lending platform providing loans of up to RWF 2 million to merchants.

GTPay (549#) – USSD payment platform enabling customers to pay for services such as school fees, insurance, and community contributions.

GTWebPay – Online payment gateway allowing businesses to securely accept digital payments and support e-commerce.

Quick Credit

Quick Credit – Instant digital loan solution enabling customers to access credit within minutes.

GTWorld Rwanda
Mobile App

GTWorld Mobile App – Mobile banking platform launched for the Retail Banking segment, offering convenient access to banking services.

1 MINUTE MAX

Digital Account Opening (1Min Max) – End-to-end digital onboarding platform allowing customers to open and operate accounts remotely.

Instant ATM Card Issuance – Technology-driven service enabling customers to receive their ATM cards immediately upon account opening.

Irembo-
Integration

Irembo Integration – Digital integration allowing customers to conveniently pay for government services through GTBank channels.

GTSmartScore

GTSmartScore– Data-driven digital credit assessment tool enabling faster and more objective lending decisions.

GTCO

Guaranty Trust Bank (Rwanda) plc

Goal-Oriented Savings On GTWorld

5% p.a.

Save towards your goals:

- ☑ Vacation
- ☑ Rent
- ☑ Relocation
- ☑ Medical
- ☑ Car
- ☑ House purchase
- ☑ Education
- ☑ Birthday
- ☑ Retirement
- ☑ Pilgrimage
- ☑ Emergency fund
- ☑ Equipment
- ☑ Wedding
- ☑ Childbirth

Other features:

- ☑ Flexible savings frequency: daily, weekly, monthly, quarterly and manual
- ☑ Flexible start date and end date
- ☑ Top up any time

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BOARD OF DIRECTORS

Board of Directors

FRANÇOISE KAGOYIRE

INDEPENDENT DIRECTOR & CHAIRPERSON

Françoise joined the Board of GTBank (Rwanda) plc in June 2022. Previously, she sited on different Boards of various institutions including AGACIRO Development Fund for nine years. Françoise has over 30 years of work experience with more than 25 years as a financial regulator expert with exceptional skills bank's soundness assessment and deep financial risks analytical capacity. In her career, she has occupied various managerial positions in the National Bank of Rwanda mainly as a Director of the Bank Supervision Department in the Directorate of Financial Stability and also as a Director of Conduct Supervision and Financial inclusion Department; for more than 10 years. Françoise has a Degree in Banking from ITB (INSTITUT DES TECHNIQUES BANCAIRES) located in Paris-France and an Associate Degree in Accounting from the University of Rwanda. Françoise is currently an independent consultant in the financial sector with a focus on financial institutions compliance with applicable standards; financial inclusion and customer empowerment.

Yusuf Ayokunle

MANAGING DIRECTOR

Mr. Ayokunle Yusuf currently serves as the Managing Director of Guaranty Trust Bank (Rwanda) Plc, bringing to the role over 15 years of progressive banking experience across multiple jurisdictions within the GTCO Group. He began his career at Guaranty Trust Bank Plc (Nigeria) in 2009 within the Financial Control Division. His trajectory within the organization has been marked by a series of high-impact leadership roles and transformative initiatives. In November 2018, Mr. Yusuf was appointed Chief Operating Officer (COO) of GTBank (Rwanda) Plc.

In this capacity, he led the successful execution of the Bank’s IT virtualization strategy and championed the comprehensive Business Automation Project (BAP), which delivered 92 system, product, service, and process improvements across 14 departments. His tenure also saw the enhancement of the Bank’s digital banking suite to drive revenue growth, the rollout of new retail and SME loan products, and the restructuring of the credit assessment framework for greater efficiency and risk control.

In December 2020, he was appointed COO of GTBank (Ghana) Ltd., a role he held until May 2025, when he assumed his current position as Managing Director of GTBank (Rwanda) Plc. Prior to his Rwanda posting in 2018, Mr. Yusuf played a pivotal role in GTBank’s regional IFRS 9 implementation, notably supporting GTBank (Sierra Leone) Ltd with a tailored impairment analyzer and overseeing post-implementation support.

He also advised GTBank subsidiaries in Kenya and the United Kingdom on IFRS 9 implementation. Renowned for his thought leadership, Mr. Yusuf has delivered numerous macroeconomic presentations and policy papers to both internal and external audiences, including teams from the International Monetary Fund (IMF), the World Bank, and the Federal Ministry of Finance during staff visits.

He holds a Bachelor of Science degree in Accounting, is a Chartered Accountant (ACCA), a Chartered Stockbroker (ACS), and an MBA graduate of Warwick Business School, United Kingdom. He has also completed executive education/trainings/certifications at Harvard University; Stanford University; MIT Sloan Management School; University of California, Berkeley; University of Stellenbosch Business School and China Europe International Business School. He has also served as a facilitator in training programs for GTBank subsidiaries in Liberia, Sierra Leone, Rwanda, Ghana, and Tanzania.

Board of Directors

ERIC CYAGA

INDEPENDENT DIRECTOR

Adv. CYAGA N. Eric MANAGING PARTNER, K-SOLUTIONS & PARTNERS

Eric is the Managing Partner at K-Solutions & Partners in Kigali, Rwanda. Eric's role is to ensure the legality of commercial transactions, advise companies on their legal rights and duties. Eric has a deep understanding of the aspects of contract law, securities law, insolvency, business organization, and employment law.

He is a member of the Rwanda Bar Association. As a Senior lawyer, Eric together with others led the transformation of the leadership of the Rwanda Bar Association laws in 2015 with the aim of making an extraordinary impact on the career of the legal professionals. He serves on the boards of directors of a number of organizations including GTBank (Rwanda) plc.

Eric is also the honorary Consul for Côte d'Ivoire in Rwanda, a position that he has held since September 14, 2018.

SHEMA IDA MURANGIRA

INDEPENDENT DIRECTOR

Shema Ida joined the Board of GTBank (Rwanda) plc in September 2025. She serves on several Boards, including ZAMARA Actuaries Administrators and Insurance Brokers Limited from 2020 to date, Patriots Basketball Club from 2024 to date and Skills Development Fund at the Workforce Development Agency from 2015 to 2021 as Vice Chairman.

Shema has over 15 years of experience in strategic planning and execution, team leadership and development, stakeholder engagement and relationship management, budgeting, and project management. Demonstrated success in achieving, investment management, and corporate governance, strategic objectives, driving operational excellence, and fostering sustainable growth in challenging environments.

She has held senior leadership positions at TCP Africa, Enabel – Belgium Development Agency, Rwanda Development Board, Capacity Development and Employment Employment Services Baord (CESB) and the National Capacity Building Secretariat (NCBS), overseeing strategic planning, stakeholder engagement and program management across public and financial sectors.

Shema holds a Master's in Public and Development Management from the University of the Witwatersrand, South Africa and a Bachelor's in Social Administration and Sociology from Makerere University, Uganda. She is committed to promoting skills development & job creation, social impact, and inclusive economic growth.

Board of Directors

OLUSEGUN AGBAJE

NON-EXECUTIVE DIRECTOR

Mr. Segun Agbaje is the Group Chief Executive Officer of GTCO, one of Africa's leading banking groups with a client base of over 20 million customers and business outlays across ten (10) African Countries and the United Kingdom.

Mr. Agbaje started his career in 1988 as an Auditor at Ernst & Young, USA. He subsequently joined GTBank as a pioneer staff in 1991 and rose through the ranks to become Executive Director in 2000 and Deputy Managing Director in 2002. In 2011, he was appointed Managing Director and CEO of GTBank, and under his leadership the Bank became one of Nigeria's most profitable banks, maintaining impressive year-on-year growth in market share and profitability.

Mr. Agbaje is widely regarded as one of Africa's leading CEOs with a reputation for identifying capital opportunities and executing business deals. He holds a Bachelor of Science in Accounting and a Master's in Business Administration, both from the University of San Francisco, USA. He is also an alumnus of the Harvard Business School and has over 30 years of experience in investment, commercial and international banking.

Passionate about innovation and embracing disruptive technologies, Mr. Agbaje is driving the transformation of GTCO by constantly pioneering ground-breaking ideas that offer customers more value beyond financial services. Under his leadership, the Organization has promoted enterprise in the SME sector by empowering small businesses and creating Free Business Platforms such as the GTBank Food and Drink Fair and the GTBank Fashion Weekend.

Mr. Agbaje also revolutionized consumer lending in Nigeria through GTBank's offering of Quick Credit, which gives individuals and small businesses instant, real-time access to loans at a low interest of 1.3 percent monthly.

In recognition of his sterling leadership and consistent outstanding performance, Mr. Agbaje has been the recipient of several awards over the years, some of which include: the African Banker of the Year Award by the African Banker Magazine, the Banker of the Year, Africa by the World Finance Magazine and CEO of the Year at the Africa Investor Awards.

Mr. Agbaje currently serves on the boards of GTBank (Ghana) Limited, GTBank (UK) Limited, GTBank (Kenya) Limited, and GTBank (Tanzania) Limited. He is also a Director on the MasterCard Advisory Board (the Middle East and Africa), and served on the Board of Directors of PepsiCo Inc., USA as an Independent Director and a member of the company's audit committee from July 2020 to May 2026.

Creating Value Through **CSR**

At GTBank (Rwanda) plc, our journey to progress is an unending one, where success is determined not only by the value we create through the businesses that make up our robust financial services ecosystem but by the lives we touch, the people we empower and how we uplift society towards a better and brighter future.

- Corporate Social Responsibility (CSR)

From our earliest days, Guaranty Trust Bank (Rwanda) plc has always been about enriching lives. We strongly believe that a truly successful business is one that grows with its communities, empowers its people, and creates better outcomes for everyone.

Over the years, our impact has expanded across four core pillars—Education, Community Development, Environment, and the Arts—each reflecting a firm belief that businesses exist not just to create value for shareholders, but to enrich the lives of the people they serve. Through these pillars, we remain committed to shaping a world where knowledge empowers, communities thrive, the environment is nurtured, and creativity flourishes.

We work hard to create sustainable value. But more than anything, CSR is our heart. It beats in every initiative, every investment, and every decision to make a difference in the communities where we operate.

Community Engagement and Financial Inclusion – Ngoma District

On 27 September 2025, GTBank (Rwanda) Plc participated in the monthly Community Service (Umuganda) exercise in Ngoma District, reaffirming its commitment to sustainable community development and social responsibility. Bank staff joined local residents in preparing sites for tree planting, contributing to environmental conservation efforts and supporting the creation of a greener and healthier environment for future generations.

As part of the initiative, the Bank conducted a financial literacy session aimed at enhancing financial awareness and equipping community members with practical knowledge to make informed financial decisions. The session emphasized the importance of savings, financial planning, and responsible use of financial services.

In further support of community well-being, GTBank provided health insurance coverage (Mutuelle de Santé) for vulnerable residents, helping to improve access to healthcare services and promote better health outcomes within the community.
Through this initiative, GTBank continued to advance its Corporate Social Responsibility objectives by promoting environmental sustainability, financial inclusion, and social welfare. The activity reflects the Bank's ongoing commitment to building informed, healthy, and resilient communities while contributing to Rwanda's sustainable development agenda.

CORPORATE **GOVERNANCE**

CORPORATE GOVERNANCE

Guaranty Trust Bank (Rwanda) plc ("the Bank" or "the Company") has acquired over the years, an enviable reputation built on a solid foundation of integrity, professionalism, quality and value adding service delivery, and excellent corporate governance practices. Our guiding principles ("the Orange Rules") are Simplicity, Professionalism, Service, Friendliness, Excellence, Trustworthiness, Social Responsibility and Innovation. These principles, on which the Bank was founded, remain the bedrock upon which we have built and developed our exemplary corporate governance practices. At Guaranty Trust Bank (Rwanda) plc, the principles of good corporate governance practices remain one of our core values and an important ingredient in creating and sustaining shareholder value and providing excellent service to our customers, while ensuring that behaviour is ethical, legal and transparent. The Bank is mindful of its obligations to remain committed to safeguarding and improving shareholders' value through transparent best practices fashioned along local regulatory standards as well as international best practices. Guaranty Trust Bank (Rwanda) plc ensures compliance with the tenets of Corporate Governance in Rwanda as formally codified by the National Bank of Rwanda's Corporate Governance Regulation, which enumerates best practices for the Board of Directors of Banks in Rwanda, as well as disclosures and transparency in financial matters. The Bank is governed by a framework that facilitates checks and balances and ensures that appropriate controls are put in place. It encompasses authority, accountability, stewardship, leadership, direction and control and ensures that the responsibilities and functions of the Board as well as the senior management of the Bank are well defined.

BOARD COMMITTEES

Under the Articles of Association, Directors appoint committees consisting of such members of their body and such other persons as they think fit and delegate any of their powers to such committees. Any committee so formed in the exercise of its powers so delegated, conforms with Regulations laid down by the Regulator. The Board committees are: Board Risk Committee; Board Credit Committee and Board Audit Committee.

BOARD RISK COMMITTEE

The Committee is tasked with the responsibility of setting and reviewing the Bank's risk policies. The coverage of supervision includes the following: credit risk, reputation risk, operations risk, technology risk, market and rate risks, liquidity risk and other pervasive risks as may be posed by the events in the industry at any point in time. The Committee's major responsibilities are to set policies on the company's risk profile and limits, determine the adequacy and completeness of the Company's risk detection and measurement systems, assess the adequacy of the mitigants to the risks, review and approve the contingency plan for specific risks and ensure that all units in the Company are fully aware of the risks involved in their functions. This Committee is charged with the quarterly review of the Company's central liability report and summary of criticized loans with the concurrent power of recommending adequacy of the reserves for loan losses and approving possible charge-offs. The committee is also responsible to derive the most appropriate strategy for the bank in terms of the mix of assets and liabilities given its expectations of the future and the potential consequences of interest-rate movements, liquidity constraints, and foreign exchange exposure and capital adequacy. The committee ensures that all strategies conform to the bank's risk appetite and levels of exposure. The Committee meets at least four times a year.

BOARD CREDIT COMMITTEE

This Committee is responsible for approval of credit facilities in the Company. It reviews all credits granted by the Company and approves specific loans above the Management Credit Committee's authority limit as defined from time to time by the Board. The Committee is also responsible for ensuring that the Company's internal control procedures in the area of risk assets remain high to safeguard the quality of the Company's risk assets. The Committee meets at least once quarterly.

BOARD AUDIT COMMITTEE

This Committee is responsible for ensuring that the Bank complies with all the relevant policies and procedures both from the regulators and as laid-down by the Board of Directors. Its major functions include: (i) approval of the annual audit plan of the internal auditors, (ii) review and approval of the audit scope and plan of the external auditors, (iii) review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examination and to ascertain whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices. The Committee also reviews the Bank's annual and interim financial statements, including reviewing the effectiveness of the Company's disclosure controls and systems of internal control and areas of judgment involved in the compilation of the Company's results. The Committee is responsible for the review of the integrity of the company's financial reporting and oversees the independence and objectivity of the external auditors. The membership at the Board level is based on relevant experience of the Board member. The Committee consists of not less than three members, at least two of whom are independent directors. The Committee has access to external auditors to seek for explanations and additional information. The Committee meets at least four times a year.

MANAGEMENT COMMITTEES

These are Committees comprising of senior management of the Bank. The Committees are risk driven as they are basically set up to identify, analyse, synthesize and make recommendations on risks arising from day-today activities of the Bank. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet as frequently as the risk issues occur to immediately take actions and decisions within the confines of their powers. The key Management Committees in the Bank are:
(i)Executive Divisional Heads Committee
(ii)Management Credit Committee;
(iii)Criticized Assets Committee;
(iv)Assets and Liability Management Committee (ALCO);
(v)IT Steering Committee
(vi)Risk Management Committee

Executive Divisional Heads Committee

The Executive Committee is responsible for implementation of operational plans, annual budgeting and periodic reviews of operations, strategic plans, ALCO strategies, credit proposals review, identification and management of key risks and opportunities. The committee reviews and approves guidelines for employees' remuneration. This Committee assists the Chief Executive Officer to manage the banking institution and to guide and control the overall direction of the business of the banking institution and acts as a medium of communication and co-ordination be-tween business units and the board. The Committee consists of a combination of senior management officials and meets on a monthly basis. **Management Credit Committee (MCC)** This is the Committee responsible for ensuring that the Company complies fully with the Credit Policy Guide as laid down by the Board of Directors.

The Committee also provides inputs for the Board Credit Committee. This Committee reviews and approves credit facilities to individual obligors not exceeding in aggregate a sum to be determined by the Board from time to time.

The Management Credit Committee

The Management Credit Committee is responsible for reviewing and approving all credits that are above the approval level of the Managing Director as determined by the Board. The Committee reviews the entire credit portfolio of the Company and conducts periodic assessment of the quality of risk assets in the Company. It also ensures that adequate monitoring of credits/facilities is carried out. The Committee meets weekly depending on the number of credit applications to be considered.

Criticized Assets Committee (CAC)

This Committee is responsible for the assessment of the risk asset portfolio of the Bank. It highlights the status of the Bank's assets in line with the internal and external regulatory framework, and ensures that triggers are sent in respect of delinquent assets. The Committee also ensures that adequate provisions are taken in line with the regulatory guidelines. The members of the Committee include the Managing Director, the Chief Operating Officer, and other relevant Senior Management Staff of the Bank.

Assets and Liability Management Committee (ALCO)

This Committee is responsible for the management of a variety of risks arising from the Bank's business including, market and liquidity risk management, loan to deposit ratio analysis, cost of funds analysis, establishing guidelines for pricing on deposit and credit facilities, exchange rate risks analysis, balance sheet structuring, regulatory considerations and monitoring of the status of implemented assets and liability strategies. The members of the Committee include the Managing Director; Chief Operating Officer; the Treasurer; the Head, Financial Control; Head, Risk and Compliance; and a representative of the Assets and Liability Management Unit.

IT Steering Committee

This Committee is responsible for assisting Management with the implementation of IT Strategy approved by the Board. The roles and responsibilities of the Committee include:
(i) Planning, Budgeting and Monitoring;
(ii) Ensuring Operational Excellence and
(iii) IT Risk Assurance.

Risk Management Committee

The Risk Management Committee is the committee charged with monitoring the entire risk spectrum inherent in the Bank's business. These risks have been primarily identified as Credit Risk, Operational Risk, Market and Liquidity Risk, Strategy and Reputational risks, Information security Risk and compliance risk; in order to provide reasonable assurance on the achievement of the Bank's Risk Management's objectives and compliance with internal and external policies and regulations. The Risk Management Committee derives its powers from the Board of Directors through the Board Risk Management Committee and advises the Board Risk Management Committee on risk areas and possible internal control weaknesses, and execution of related action plans.

CHAIRMAN'S STATEMENT

Distinguished Shareholders, Fellow Board Members, Management, Staff, and Esteemed Customers,

It is my pleasure to present the 2025 Annual Report of Guaranty Trust Bank (Rwanda) Plc.

The year 2025 was marked by persistent global economic and geopolitical challenges. The ongoing conflict between Russia and Ukraine, as well as tensions in the Middle East, continued to exert pressure on global supply chains, inflation, and currency markets, at a time when the world economy was still recovering from the effects of the COVID-19 pandemic. Despite these headwinds, Rwanda's economy demonstrated remarkable resilience and continued on a strong growth trajectory.

I wish to commend the Government of Rwanda, under the leadership of His Excellency President Paul Kagame, for its exemplary stewardship during this challenging global environment. The Government remained proactive in implementing strategic initiatives aimed at sustaining economic recovery, supporting investment, and enhancing social protection across the country.

Several significant developments during the year positively influenced Rwanda's economic outlook:

• Credit Rating Affirmation: On 14 November 2025, S&P Global Ratings reaffirmed Rwanda's sovereign credit rating at 'B/B' with a Stable Outlook, projecting robust annual economic growth averaging 7.3% through 2028, supported largely by continued public infrastructure investments.
• International Financing Agreements:
o The Government secured a USD 45 million financing package from the Arab Bank for Economic Development in Africa (BADEA) to support water infrastructure development and SME financing initiatives.
o A EUR 18 million grant agreement was signed with Germany's KfW Development Bank to strengthen Rwanda's social protection system.
o The European Union, UNHCR, and the World Food Programme also committed up to EUR 10 million in humanitarian and development support aimed at enhancing refugee and host community self-reliance.

Rwanda's Gross Domestic Product (GDP) grew significantly during the year, increasing from Rwf19.9 trillion in 2024 to Rwf23.3 trillion in 2025, representing a strong annual growth rate of 9.4%.

Against this macroeconomic backdrop, Guaranty Trust Bank (Rwanda) Plc delivered a resilient financial and operational performance. Despite inflationary pressures, foreign exchange volatility, and broader global economic uncertainty, the Bank remained focused on executing its strategic priorities and strengthening its market position.

The Bank continued to make substantial progress in its digital transformation journey through the launch and enhancement of innovative banking solutions designed to improve customer experience, drive operational efficiency, and deepen financial inclusion. These initiatives are expected to further position GTBank (Rwanda) plc as a leading digital banking institution within the Rwandan banking industry while supporting sustainable growth in deposits, transaction volumes, and revenue generation.

I am pleased to report that the Bank recorded a Profit Before Tax (PBT) of Rwf5.4 billion for the financial year ended 31 December 2025, reflecting the resilience of our business model and the disciplined execution of our strategy.

The Bank also maintained strong capital and liquidity positions throughout the year, well above the minimum regulatory requirements. As at 31 December 2025:
• The Capital Adequacy Ratio (CAR) stood at 38.4%, significantly above the regulatory minimum requirement of 15%;
• Asset quality as measured by Non-Performing Loans (NPL) ratio stood at 0.47%, well below the regulatory threshold of 5%
• The Liquidity Coverage Ratio (LCR) stood at 372.2%, well above the minimum requirement of 100%; and
• The Net Stable Funding Ratio (NSFR) stood at 141.9%, exceeding the regulatory threshold of 100%.

These strong prudential ratios reaffirm the Bank's financial soundness, resilience, and capacity to support future growth while effectively managing risk.

Our disciplined risk management framework continued to support the maintenance of a high-quality loan portfolio and strong asset quality. At the same time, we remained committed to delivering exceptional customer service through innovative products, seamless digital experiences, and tailored financial solutions that meet the evolving needs of individuals, SMEs, and corporate customers.

The Bank will continue to focus on strengthening its competitive advantage through innovation, digital banking excellence, and customer-centric service delivery. We also intend to further expand our Retail banking, SME banking, Treasury services, and Agency banking network across the country in order to drive sustainable growth and broaden financial access.

In addition, the Bank has commenced the strategic expansion of its branch network in carefully identified high-potential locations to enhance accessibility and reinforce our market presence.

Looking ahead, we remain confident in the Bank's long-term growth prospects and our ability to continue creating sustainable value for shareholders, customers, employees, and the wider community.

The new 2026–2028 Strategic Plan will guide the Bank toward achieving its aspiration of becoming the 5th most profitable bank in Rwanda by 2028. The strategy will focus on the following key priorities:

- Accelerating rapid and agile product innovation;
- Building a strong and sustainable personal banking franchise;
- Expanding a highly competitive merchant acquiring business; and
- Positioning GTBank Rwanda as the preferred banking partner and backbone for fintechs in Rwanda.

On behalf of the Board of Directors, I would like to express our sincere appreciation to our shareholders, customers, regulators, business partners, and all stakeholders for their continued trust and support. I also extend my gratitude to Management and staff for their dedication, professionalism, and unwavering commitment throughout the year.

Sincerely,

Francoise Kagoyire
Chairperson

MANAGING DIRECTOR'S STATEMENT

Dear Shareholders,

The year ended 31 December 2025 marked a period of significant progress for the Bank, underpinned by sustained balance sheet growth and continued advancement of our ambition to build a digitally empowered Retail and SME Bank supported by a strong digital banking business.

The Bank recorded a Profit Before Tax (PBT) of Rwf5.4 billion for the 2025 financial year. While this represented a decline compared to the Rwf8.8 billion recorded in 2024, the prior year's performance included a non-recurring modification gain of Rwf1.34 billion arising from the restructuring of the Ghana Eurobond. Excluding this one-off income, the Bank's 2025 performance reflected the continued resilience of our core business and the strength of our underlying operating fundamentals.

During the year, Total Assets grew by 20%, driven primarily by a 39% increase in loans and advances, supported by accelerated retail lending and increased utilization of overdraft facilities across key customer segments. Customer deposits also recorded strong growth of 22%, reflecting sustained customer confidence in the Bank as well as the effectiveness of our deposit mobilization initiatives across the Retail, SME, and Corporate Banking segments.

Beyond the financial performance, 2025 was a defining year of rebuilding, repositioning, and disciplined execution for the Bank. Between May and December 2025, we successfully launched 17 products and solutions across our asset, liability, and digital banking segments. Key launches included Inzozi Zawe Salary Loan, Mpay, GTPay, GTWorld Mobile App, GTWebPay, Quick Credit, Instant Card Issuance, Digital Onboarding, POS Terminals, POS Business Loan, MPay Credit, Diaspora Account, Bundle Current Account, SACCO Account, Cooperative Account, and Ikimina Account, among others. These initiatives significantly strengthened the Bank's competitive positioning within the Rwandan banking industry and reinforced our commitment to delivering accessible, efficient, and customer-centric financial solutions.

As we reflect on the year, our focus remains firmly on building a scalable, technology-driven financial institution capable of delivering reliable, innovative, and relevant solutions to all customer segments.
Looking ahead to 2026, our strategic priorities will center on further enhancing the value proposition of our products and services through the introduction of additional features and improved customer experience. We shall also prioritize service reliability and operational resilience by targeting optimal system uptime and successfully transitioning from our current Core Banking Application to Finacle, a more robust and scalable banking platform.

In addition, we will continue to strengthen customer engagement through faster responsiveness to customer complaints and service requests, more aggressive marketing and brand visibility initiatives, and deliberate strategic efforts aimed at driving customer acquisition, product uptake, and digital adoption across all segments.

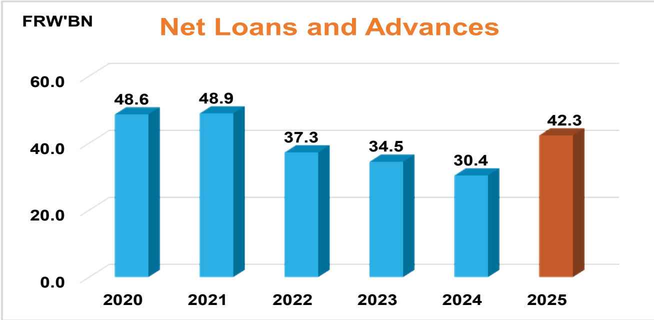
I extend my sincere appreciation to our customers for their continued trust and loyalty, to the Board of Directors for their guidance and support, to the National Bank of Rwanda for its continued partnership and regulatory oversight, and to our employees for their dedication, professionalism, and commitment to excellence.

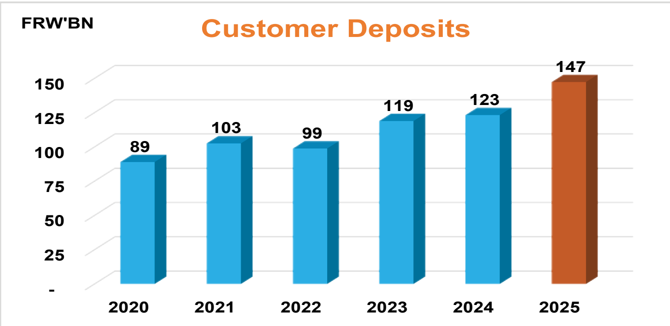
As we enter 2026, we remain optimistic about the opportunities ahead and committed to delivering sustainable value to all our stakeholders.

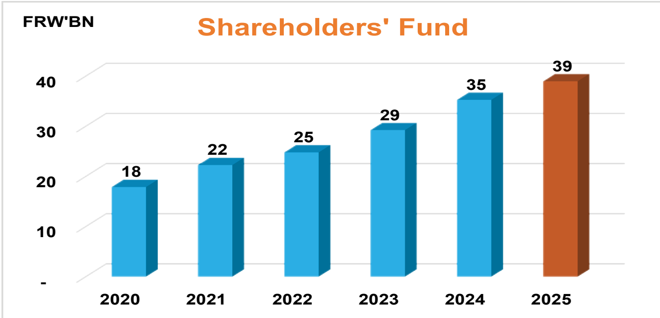
Warm regards,

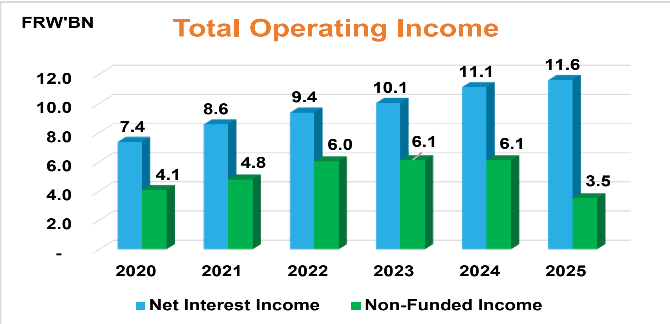
Ayokunle Yusuf
Managing Director

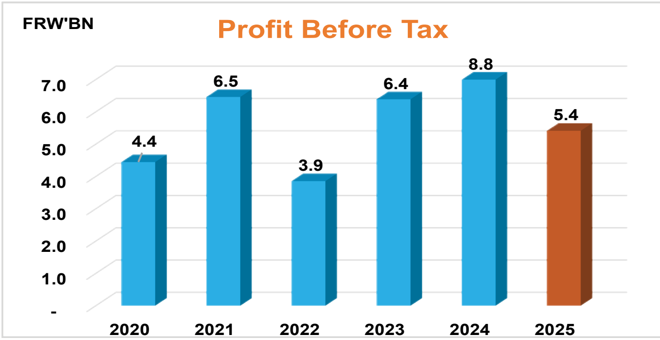
PERFORMANCE HIGHLIGHTS











Financial Soundness Highlights	2025 %	2024 %	2023 %	2022 %	2021 %	2020 %
Capital Strength Ratios						
Capital Adequacy Ratio (MIN 15%)	38.4%	44.1%	37.3%	33.4%	26.4%	24.3%
Core Capital / Risk Weighted Assets (MIN 10.5%)	37.8%	43.5%	36.6%	32.5%	25.3%	22.1%
Leverage ratio (MIN 6%)	18.0%	18.9%	16.9%	14.8%	12.9%	11.7%
Coverage/ Asset Quality Ratios						
NPLs / Gross Loans	0.5%	1.5%	0.7%	3.5%	5.2%	4.6%
Provisions / NPLs	44.5%	28.8%	49.1%	46.5%	74.6%	17.3%
Earning Assets / Total Asset	79.9%	70.1%	67.7%	67.2%	69.7%	72.5%
Loan Loss Reserve / Gross Loans	1.5%	1.9%	1.8%	3.0%	5.6%	2.3%
Profitability Ratios						
Post-Tax Return on Assets	2.0%	3.7%	2.8%	1.9%	3.3%	2.8%
Post-Tax Return on Equity	10.0%	17.3%	14.9%	10.2%	19.7%	17.6%
Net Interest Margin	6.7%	9.4%	8.7%	9.1%	9.0%	8.6%
Cost to Income	64.0%	50.3%	62.0%	76.4%	54.2%	63.4%
Liquidity Ratios						
Liquid Assets / Total Deposits	89.6%	95.9%	90.3%	80.6%	68.1%	62.7%
Gross Loans / Total Deposits	29.2%	25.1%	30.3%	38.8%	50.4%	55.9%
Net Loans/Total Asset	21.5%	18.3%	22.2%	28.7%	36.9%	42.6%
Total Deposits / Total Assets	74.9%	74.4%	76.6%	76.2%	77.4%	78.0%

CORPORATE INFORMATION & AUDITOR'S REPORT

CORPORATE INFORMATION

Shareholding

The Bank's shareholding as at 31 December 2025 is as shown below.

Shareholders	Number of Shares	% holding
Guaranty Trust Bank (Kenya) Limited	19,276,000	96.38%
Agaciro Development Fund (AGDF)	724,000	3.62%
Total	**20,000,000**	**100%**

The price per share equal to Frw1,000

BOARD OF DIRECTORS

Mrs. Francoise Kagoyire	(Rwandan) Chairperson - Independent
Mrs. Ida Shema Murangira	(Rwandan) Independent
Mr. Eric Cyaga	(Rwandan) Independent
Mr. Olusegun Agbaje	(Nigerian) Non-Independent
Mr. Yusuf Ayokunle	(Nigerian) Managing Director

BOARD AUDIT COMMITTEE

Mrs. Ida Shema Murangira	Chairperson
Mr. Olusegun Agbaje	Member
Mr. Eric Cyaga	Member

BOARD CREDIT COMMITTEE

Mr. Olusegun Agbaje	Chairperson
Mr. Eric Cyaga	Member
Mr. Yusuf Ayokunle	Member

BOARD RISK COMMITTEE

Mr. Eric Cyaga	Chairperson
Mrs. Ida Shema Murangira	Member
Mr. Olusegun Agbaje	Member
Mr. Yusuf Ayokunle	Member

Attendance of Board and Board Committee Meetings

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance for the financial year ended 31 December, 2025

	Full Board	**Board Credit Committee**	**Board Risk Committee**	**Board Audit Committee**
Date of Meetings	05.06.2025 29.08.2025 25.11.2025	05.06.2025 29.08.2025 25.11.2025	05.06.2025 29.08.2025 25.11.2025	05.06.2025 29.08.2025 25.11.2025
Number of Meetings	**3**	**3**	**3**	**3**
Mrs. Francoise Kagoyire	3	n/a	n/a	n/a
Mr. Olusegun Agbaje	3	3	3	3
Mr. Eric Cyaga	3	3	3	3
Mrs. Ida Shema Murangira	1	n/a	1	1
Mr. Yusuf Ayokunle	3	3	3	n/a

Note: The 2025 4th quarter board meeting is scheduled to be held in March 2026

CORPORATE INFORMATION (CONTINUED)

EXECUTIVE MANAGEMENT (EXCO)

Mr. Yusuf Ayokunle	Managing Director – Chairman
Ms. Angela Koech	Chief Operating Officer
Mr. Mugabo Moherai Christopher	Chief Financial Officer
Mr. Louis Hategekimana	Head of Legal Services and Company Secretary
Mr. Charles Asiimwe	Head of CBG & SME Banking Group
Ms. Lucie Isugi	Head of Risk and Compliance
Mr. Munana Joseph	Chief Technology Officer
Mr. Emile Iraguha	Head of Credit

ASSETS AND LIABILITIES COMMITTEE (ALCO)

Mr. Yusuf Ayokunle	Chairman
Mr. Cedrick Byiringiro	Secretary
Ms. Angela Koech	Member
Mr. Mugabo Moherai Christopher	Member
Ms. Lucie Isugi	Member
Mr. Charles Asiimwe	Member

MANAGEMENT CREDIT COMMITTEE (MCC)

Mr. Yusuf Ayokunle	Chairman
Mr. Emile Iraguha	Secretary
Ms. Angela Koech	Member
Mr. Mugabo Moherai Christopher	Member
Mr. Louis Hategekimana	Member
Mr. Charles Asiimwe	Member
Mr. Jean Claver	Member
Mr. Cedrick Byiringiro	Member

IT STEERING COMMITTEE

Mr. Yusuf Ayokunle	Chairman
Mr. Joseph Munana	Secretary
Ms. Angela Koech	Member
Mr. Mugabo Moherai Christopher	Member
Ms. Diane Ngoga	Member
Ms. Ruth Irumva	Member
Mr. Charles Asiimwe	Member
Ms. Zawadi Umutoni	Member

RISK MANAGEMENT COMMITTEE

Mr. Yusuf Ayokunle	Chairman
Ms. Gisele Mutamba	Secretary
Ms. Angela Koech	Member
Mr. Louis Hategekimana	Member
Mr. Joseph Munana	Member
Ms. Ruth Irumva	Member
Mr. Gilbert Kuradusenge	Member
Mr. Didier Rugwiro	Member
Mr. Charles Asiimwe	Member
Ms. Lucie Isugi	Member
Ms. Ines Irakoze	Member
Mr. Mugabo Moherai Christopher	Member
Ms. Zawadi Umutoni	Member
Mr. Cedrick Byiringiro	Member
Ms. Sabine Uwase	Member

CORPORATE INFORMATION (CONTINUED)

CRITICIZED ASSET COMMITTEE (CAC)

Mr. Yusuf Ayokunle	Chairman
Mr. Emile Iraguha	Secretary
Mr. Jean Claver	Member
Ms. Angela Koech	Member
Mr. Louis Hategekimana	Member
Mr. Charles Asiimwe	Member

PROCUREMENT COMMITTEE

Mr. Louis Hategekimana	Chairman
Mr. Faustin Muhire	Secretary
Ms. Lucie Isugi	Member
Mr. Mugabo Moherai Christopher	Member
Mr. Didier Mugiraneza	Member
Mr. Emile Iraguha	Member

CORPORATE INFORMATION (CONTINUED)

REGISTERED OFFICE

The Bank is incorporated in Rwanda as a public company limited by shares and is domiciled in Rwanda.
The address of its registered office is:
Guaranty Trust Bank (Rwanda) plc
R.C No. 100003180 Kigali
3KG 11ave, Kisiment, Remera, Kigali, Rwanda
Tel: 5054

AUDITOR

KPMG Rwanda Limited
Certified Public Accountants
Company Code: 101867507
P.O. Box 6755
Grand Pension Plaza - 5th Floor
KN 2 Ave 3
Kigali, Rwanda

LAWYER

B&A Advocates
Company Code: 103475958
P O BOX 4067
Address KK 31 AV Gikondo
Kigali, Rwanda

CORRESPONDENT BANKS

Bank details

Guaranty Trust Bank (UK) Limited
60-62 Margaret street, London W1W 8TF

Crown Agents Bank
St Nicholas House, St Nicholas Road, Sutton, Surrey, SM1 1EL, United Kingdom

Banque de Commerce et des Placements (BCP) S.A
Rue de la Fontaine 1, P.O.Box 3069, CH-1211 Geneva 3

SwedBank AB (Publ)
Landsvagen 40, 105 34 Stockholm, Sweden

Absa Bank Ltd
15 Alice Lane, Sandtone, 2196, South-Africa

Citi Bank Group
701 East 60th Street North Sioux Falls 57104 and 388 Greenwich Street, New York, NY.10013

GTBank Kenya
Skypark Plaza 1870, Woodvale Close.

GTBank Tanzania
Plot 4, Regent Estate, Victoria, Dar Es Salam

GTBank Nigeria
Head office address plot 635, Akin Adesola Victoria island
Lagos Tel:+23412715227

CORPORATE INFORMATION (CONTINUED)

BRANCH NETWORK

RESIDENT BRANCH

Kisiment, Remera,
Gasabo District–Kigali City
3KG 11ave,
P.O. Box 331, Kigali
Tel: 5054
Whatsap: (+ 250) 788 149 600
E-mail: info@gtbank.com
Website: www.gtbank.com.rw

NGOMA BRANCH (Ex Kibungo)

Ngoma District–Eastern Province
P.O. Box 331, Kigali
Telephone: (+250) 788 149 717
(+250) 788 149 718

KIGALI CITY MARKET BRANCH

Nyarugenge District–Kigali City
P.O. Box 331, Kigali
Telephone: (+250) 788 149 735
(+250) 788 149 736

REMERA BRANCH

Gasabo District–Kigali City
Yussa Plaza
P.O. Box 331, Kigali
Telephone: (+250) 788 149 701
(+250) 788 149 702

KARONGI BRANCH (Ex Kibuye)

Karongi District
Western Province PeaceHouse
P.O. Box 331, Kigali
Telephone: (+250) 788 149 721
(+250) 788 149 722

RUSIZI BRANCH (Ex Cyangugu)

Rusizi district - Western Province
Amani House
P.O. Box 331, Kigali
Telephone: (+250) 788 149 731
(+250) 788 149 732

RUBAVU BRANCH (Ex Gisenyi)

Rubavu District, Western Province
P.O. Box 331, Kigali
Telephone: (+250) 788 149 713
(+250) 788 149 714

KIMIRONKO BRANCH

Gasabo District–Kigali City
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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 Guaranty Trust 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 14.

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 auditors, KPMG Rwanda Limited, were appointed in 2023 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 have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

....

Secretary

Date: 16 March 2026

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 Guaranty Trust 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 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 and Regulation No. 28/2019 of 09/09/2019 on publication of financial statements and other disclosures by Banks in Rwanda.

Approval of Financial Statements

The financial statements of Guaranty Trust Bank (Rwanda) plc, as identified in the first paragraph, were approved and authorized for issue by the Board of Directors on …16…March…2026.

……………………………………………
Managing Director

……………………………………………
Director

Date..16 March.2026

INDEPENDENT AUDITOR'S REPORT

To the members of Guaranty Trust Bank (Rwanda) Plc
Report on the Audited financial statements

Opinion

We have audited the financial statements of Guaranty Trust Bank (Rwanda) Plc ("the Bank"), set out on pages 14 to 79 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 and Regulation No. 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks.

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 for a public interest entities and we have 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 this matter.

Key audit matter	How the matter was addressed in our audit
Impairment loss allowance on loans and advances to customers **Refer to Note 5, 12, 27 (a), 28 (b) and 31 (o) of the financial statements**	
We have determined the impairment loss allowance on loans and advances to customers to be a key audit matter due to high degree of estimation uncertainty and significant judgement applied by management in the determination of the ECL. Measurement of the impairment loss allowance based on expected credit losses ("ECL") on loans and advances to customers involves significant judgement and estimates. 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: Significant increase in credit risk ("SICR") for the corporate and institutional, business and retail portfolios, the criteria selected to identify a significant increase in credit risk is a key area of judgement within the Bank's ECL calculation as these criteria determines whether a 12 month or lifetime allowance is recorded. The Bank assesses SICR by considering all accounts with arrears of above 30 days and incorporating all relevant, reasonable and supportable information, including forward-looking information of the customers position at any one time. These include qualitative information, and information from credit rating processes. The setting of precise trigger points to move a financial asset from 'Stage 1' to 'Stage 2' or moving from Stage 2' to 'Stage 3' and vice versa respectively requires judgement which may have a material impact upon the size of the ECL allowance. — Model estimations – inherently judgemental modelling is used to estimate ECL which involves determining the probability of default ("PD") and loss given default and the exposure at default. The PD model used in the corporate and institutional, business and retail portfolios is the key driver of the Bank's ECL results and is therefore the most significant judgemental aspect of the Bank's ECL modelling approach; and	**Our audit procedures in this area included**: — Obtaining an understanding of the credit management processes and the key systems, applications and controls used in the determination of ECL by evaluating design and implementation, and the operating effectiveness of the key controls over the staging criteria, review of the model output, and changes to loss given default, updates to the forward-looking information, and collateral data. — Using our financial risk management specialists to independently assess the probability of default modelling based on historical days past due reports. — We assessed the reasonableness of loss given default and exposure at default assumptions by comparing to recent experience of the Bank on recovery made on collateral sold by the Bank, recoveries from insurance companies and local economic conditions. — Involving our own financial risk management specialists to review the model governance and documentation and structure relating to the forward looking information, consistency of macroeconomic data used in forward looking modelling, macroeconomic variable selection, assessment of macroeconomic variable and non-performing forecasting, verification of the scenario analysis through creation of different scenarios and methodology of aggregating them to derive final forecasted non-performing loans.

Key audit matter	How the matter was addressed in our audit
Impairment loss allowance on loans and advances to customers **Refer to Note 5, 12, 27 (a), 28 (b) and 31 (o) of the financial statements**	
— Quantitative adjustments or overlays – adjustments to the model driven ECL results are raised by management address known impairment model limitations or emerging trends. Such adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to the corporate institutional, business and retail portfolios. — Key accounting judgments like the Bank's internal credit grading model which is used in probability of default assignment.	— For a sample of qualitative adjustments, considering the size and complexity of management overlays, we assessed the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and agreeing the adjustments to source data. Evaluating the adequacy of the financial statement disclosures in accordance with the requirements of IFRS 7, *Financial instruments disclosures* including disclosures of key assumptions and judgements used in determination of ECL in terms of IFRS 9 *Financial Instruments*

Other information

The directors are responsible for the other information. The other information comprises the information included in the *Guaranty Trust Bank (Rwanda) Plc annual report and financial statements for the year ended 31 December 2025* but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not 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.

Responsibilities of Directors 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.

— 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.

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

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 Guaranty Trust 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: 16 March 2026

KPMG Rwanda Ltd
16 MAR 2026

FINANCIAL STATEMENTS

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*	1	11,542,994	11,640,426
Interest expense*	2(a)	(949,822)	(642,780)
Net interest income		**10,593,172**	**10,997,646**
Fee and commission income	3 (a)	2,345,841	2,245,590
Fee and commission expense	3 (b)	(1,375,173)	(1,283,711)
Net fee and commission income		**970,668**	**961,879**
Foreign exchange income	4(a)	1,106,024	2,372,036
Other income	4(b)	67,937	1,496,296
Total operating income		**12,737,801**	**15,827,857**
Net impairment charge on loans and advances	5	1,025,685	143,735
Impairment charge on investment securities	5	-	-
Employee benefits expense	6	(4,323,492)	(2,744,181)
Depreciation and amortization	7 (a)	(940,047)	(1,060,952)
Other operating expenses	7 (b)	(2,967,178)	(3,225,675)
Finance Cost	2(b)	(116,669)	(123,637)
Profit before income tax		**5,416,100**	**8,817,147**
Income tax expense	8(a)	(1,710,897)	(2,718,771)
Profit for the year		**3,705,203**	**6,098,376**
Other comprehensive income			
Revaluation gain of land and building net of tax	8(b)	-	(72,064)
Total comprehensive income for the year		**3,705,203**	**6,026,312**

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

The notes set out on pages 18 to 79 form an integral part of these financial statements.

Statement of Financial Position as for the year ended 31 December 2025

	Notes	2025 Frw'000	2024 Frw'000
ASSETS			
Cash and balances with the National Bank of Rwanda	9	21,825,620	31,782,390
Amounts due from other banks	10	49,997,910	32,402,513
Loans and advances	12	42,349,604	30,372,575
Investment securities held at amortised cost	11	67,731,263	60,916,531
Property and equipment	15	5,648,527	3,124,526
Right of use asset	16	2,490,815	1,427,355
Intangible assets	14	1,229,689	1,078,193
Deferred income tax Asset	20	778,667	800,638
Other assets	13	3,011,982	1,515,061
TOTAL ASSETS		**195,064,077**	**163,419,782**
LIABILITIES			
Customer deposits	17(a)	147,429,143	123,313,635
Other Borrowings	17(b)	66,880	199,895
Provisions	19(a)	87,971	133,068
Other liabilities	19(b)	5,887,054	2,837,736
Lease liabilities	18(b)	2,606,679	1,654,301
Current income tax payable	8(c)	-	-
TOTAL LIABILITIES		**156,077,727**	**128,138,635**
EQUITY			
Share capital	21	20,000,000	20,000,000
Revaluation reserves	22	261,835	261,835
Retained earnings	23(a)	18,720,770	14,944,659
Statutory Reserve	23(b)	3,745	74,653
TOTAL EQUITY		**38,986,350**	**35,281,147**
TOTAL EQUITY AND LIABILITIES		**195,064,077**	**163,419,782**

The financial statements on page 14 to 79 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Managing Director

Director

The notes set out on pages 18 to 79 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 December 2025

	Notes	Share capital	Revaluation reserve	Retained earnings	Statutory Reserve	Total equity
		Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Year ended 31 December 2025						
At 1 January 2021		**20,000,000**	**261,835**	**14,944,659**	**74,653**	**35,281,147**
Comprehensive income:						
Profit for the year		-	-	3,705,203	-	**3,705,203**
Other comprehensive income	8(b)	-	-	-	-	-
Total comprehensive income for the year		-	-	**3,705,203**	-	**3,705,203**
Direct transfer of accumulated depreciation on disposal of revalued asset	23(a)	-	-	-	-	-
Transfer from Statutory reserve	23 (b)	-	-	70,908	(70,908)	-
At 31 December 2025		**20,000,000**	**261,835**	**18,720,770**	**3,745**	**38,986,350**
At 1 January 2024		**20,000,000**	**349,159**	**8,777,431**	**128,245**	**29,254,835**
Comprehensive income:						
Profit for the year		-	-	6,098,376	-	**6,098,376**
Other comprehensive income	8(b)	-	(72,064)	-	-	**(72,064)**
Total comprehensive income for the year		-	**(72,064)**	**6,098,376**	-	**6,026,312**
Revaluation gain-net of tax	23(a)	-	-	-	-	-
Direct transfer of accumulated depreciation on disposal of revalued asset	23(a)	-	(15,260)	15,260	-	-
Transfer from Statutory reserve	23(b)	-	-	53,592	(53,592)	-
At 31 December 2024		**20,000,000**	**261,835**	**14,944,659**	**74,653**	**35,281,147**

The notes set out on pages 18 to 79 form an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 December 2025

	Notes	2025	2024
		Frw'000	Frw'000
Cash flows from operating activities			
Profit after income tax		3,705,203	6,098,376
Adjustments for:			
Depreciation on property and equipment	15	483,173	496,943
Amortization of intangible assets	14	51,023	166,568
Gain on disposal of fixed assets	4(b)	(1,259)	(2,706)
Amortization on right-of-use asset	16	405,851	397,441
Interest on Lease liabilities	18	116,669	123,637
Foreign exchange rate fluctuation gains		(2,105,652)	(2,523,795)
IFRS 16- Lease cost net changes P/L impact	16&18	(111,867)	(13,749)
Income tax expense	16&18	1,710,897	2,718,771
		4,254,038	**7,461,486**
Changes in operating assets and liabilities:			
- Loans and advances	12	(12,313,982)	3,708,361
- Investment securities	11	20,603,784	(10,312,837)
- Other assets	13(a)	(1,496,920)	(397,344)
- Customer deposits and cash reserves	9&17(a)	24,148,130	5,189,592
- Provision for litigation	19(a)	(45,097)	(4,230)
- Other liabilities	19b	3,049,317	806,608
Interest payment on Lease liabilities	18(b)	(116,669)	(123,637)
Interest received	12	336,953	390,937
Interest paid		(32,620)	(19,129)
Income tax paid	8(c)	(1,688,926)	(3,018,095)
Net cash generated from operations		**36,698,008**	**3,681,712**
Cash flows from investing activities			
Purchase of property and equipment	15	(3,022,016)	(1,249,086)
Purchase of intangible assets	14	(202,519)	(1,035,362)
Proceeds from sale of property and equipment		16,100	3,290
Net cash used in investing activities		**(3,208,435)**	**(2,281,158)**
Cash flows from financing activities			
Long term borrowings acquired	17(b)	1,002	3,579
Principal repayment on long term borrowings	17(b)	(126,851)	(252,621)
Interest payment on long term borrowings	17(b)	(7,166)	(5,139)
Principal repayment of Lease liabilities	18	(405,066)	(404,158)
Net cash flows used in financing activities		**(538,081)**	**(658,339)**
Net increase in cash and cash equivalents		**32,951,492**	**742,215**
Cash and cash equivalents at start of year	25	83,996,991	80,730,981
Effect of exchange rate fluctuations on cash and cash equivalents		2,105,651	2,523,795
Cash and cash equivalents at end of year	**25**	**119,054,134**	**83,996,991**

The notes set out on pages 18 to 79 form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1 Interest income*

Financial assets measured at amortized cost	**2025 Frw'000**	**2024 Frw'000**
Loans and advances	5,102,658	4,978,240
Investment securities	4,835,593	5,273,442
Placements with banks	1,604,743	1,388,744
	11,542,994	**11,640,426**

2 a) Interest expense*

	2025 Frw'000	**2024 Frw'000**
Other Borrowing (Economic Recovery Fund)	(5,661)	3,486
Customer deposits	955,277	635,562
Deposits/ nostro accounts with banks	206	3,732
	949,822	**642,780**

*Interest income and interest expense were calculated using the effective interest rate method.
The amount reported above include interest income and expense calculated using the effective interest method that relate to the following financial assets and financial liabilities.

	2025 Frw'000	**2024 Frw'000**
Financial assets measured at amortized cost	154,535,897	113,235,951
Financial liabilities measured at amortized cost	147,496,023	123,513,530

b) Finance Cost	**2025 Frw'000**	**2024 Frw'000**
Interest on lease liabilities	116,669	123,637

3 Net fee and commission income

***(a)* Fees and commission income**	**2024 Frw'000**	**2024 Frw'000**
Current account ledger fees	211,556	210,063
Credit related fees and commissions	618,113	403,942
Commissions on guarantees	186,748	225,969
Local and international cash transfers	928,054	932,090
Letters of credit commissions	2,581	32,519
Cash withdrawal commissions	31,757	74,944
ATM commissions	28,153	31,184
Cheque book charges	26,965	24,184
Other fee income:		
Bills of Collection fees	1,005	-
E-Business Other Charges	27,985	20,708
Miscellaneous Charges	11,383	5,318
Income on GTB UK transfer	50,335	46,762
Stop Payment Cheque Charges	181	80
Duplicate Statement Charges	28,211	31,085
Insurance Commissions	38,495	20,715
Standing Order Charges	8,391	28,617
Counter Cheques Withdrawal Charges	31,030	20,143
Commissions on Bankers Cheques Issued	90	200
Charge on number of withdrawals	5,923	11,515
Other service fee income	2,203	2,421

3 Net fee and commission income (continued)

		2025	2024
(a)	**Fees and commission income (continued)**	**Frw'000**	**Frw'000**
	Penalties fees on pre-matured term deposit	46	2,444
	Visa Card Reimbursement fees	-	19,289
	Non-Interest-Other Charges	49,425	45,573
	GAPS Commission Account	57,211	55,825
	Total Fees and commission income	**2,345,841**	**2,245,590**

		2025	2024
(b)	**Fees and commissions expense**	**Frw'000**	**Frw'000**
	Banking services	106,941	134,263
	Transaction charges	1,097,927	999,504
	Foreign Currency Import/Export Charges	11,872	10,033
	Other fee expenses:		
	Reuters Charges	111,976	99,528
	Mobile & E-Banking Charges	34,639	31,267
	ATM Card Fees	11,818	9,116
	Total Fees and commission expense	**1,375,173**	**1,283,711**
	Net fees and commissions	**970,669**	**961,879**

In the following table, fees and commissions income from contracts with customers in the scope of IFRS 15 is disaggregated by major service lines. Some contracts with customers may have no fixed duration and can be terminated or modified by either party or at any time. Other contracts may automatically renew on a periodic basis that is specified in the contract. The Bank shall consider the duration of the contract in which the parties to the contract have present enforceable rights and obligations. All the Bank segments have similar fees and commission income and expenses.

	2025	2024
Fees & Commissions income disaggregation	**Frw'000**	**Frw'000**
Money transfers commission	978,389	978,852
Letter of credit and guarantees issuance fees	189,329	258,487
Credit related fees and commissions	618,113	403,942
E-channels commission	85,196	76,532
Customer accounts operation fees	307,230	340,849
ATM operations fees	28,153	50,473
Other services related fees	139,431	136,455
Total fees and commissions income	**2,345,841**	**2,245,590**

The fees and commissions presented income of Frw2,345,841 in the financial year 2025 (2024: Frw2,245,590) and expense of Frw1,375,173 in 2025 (2024: Frw1,283,711) related to financial assets and financial liabilities not measured at FVTPL. These figures excluded amount incorporated in determining the effective interest rate on such financial assets and financial liabilities.

The table below provides information about contract liabilities from contract with customers.

	2025	2024
Contract liabilities	**Frw'000**	**Frw'000**
Customer deposits	147,429,143	123,313,635
Other borrowings (Economic Recovery Funds)	66,880	199,895
Total	**147,496,023**	**123,513,530**

		2025	2024
4	**Trading income**	**Frw'000**	**Frw'000**
(a)	**Foreign exchange income**		
	Gain on forex revaluation	2,962	10,532
	Gain on forex trading	1,103,062	2,361,504
	Net Foreign exchange income	**1,106,024**	**2,372,036**
(b)	**Other income**		
	Gain on disposal of property and equipment	1,259	2,706
	Eurobonds modification gain[1]	-	1,340,081
	Other non-trading income	66,678	153,509
		67,937	**1,496,296**

		2025	2024
5	**a) Net impairment charges (credit) for credit losses**	**Frw'000**	**Frw'000**
	Stage 1	100,627	-
	Stage 2	9,263	-
	Stage 3	51,983	-
	Recoveries on amounts previously written off	(1,187,558)	(143,735)
	Net impairment charges/(credit)	**(1,025,685)**	**(143,735)**
	b) Impairment charges on investment securities[2]		
	Impairment charges on other financial assets	-	-
	Total impairment charges/(credit)	**(1,025,685)**	**(143,735)**

[1&2]Following the completion of the Republic of Ghana Eurobonds restructure in January 2024, the Bank realized modification gain of over Frw1.34billion in 2024 arising from the impairment provisions taken in the prior years. Nonetheless, to remain conservative, the Bank maintained 37% haircut over the total outstanding amount as at 31st December 2025 (2024:37%).

		2025	2024
		Frw'000	**Frw'000**
6	**Employee benefits expense**		
	Salaries and wages	3,503,438	2,301,316
	Contributions to social security funds	257,483	82,411
	Staff medical expenses	58,742	69,538
	Other employee benefits*	503,829	290,916
		4,323,492	**2,744,181**

*Other employee benefits relate to terminal benefits and staff allowances.

7(a) Depreciation and amortization

		2025	2024
		Frw'000	Frw'000
Amortization charge on intangible assets	(Note 14)	51,023	166,568
Depreciation on property and equipment	(Note 15)	483,173	496,943
		534,196	**663,511**
Depreciation on right of use assets	(Note 16)	405,851	397,441
		940,047	**1,060,952**

7(b) Other operating expenses

	2025	2024
	Frw'000	Frw'000
Travel related expenses	85,861	111,012
Directors' expenses	107,457	117,499
Security costs	131,687	121,049
Legal fees	24,399	58,608
Repairs and maintenance	740,292	619,976
Water and electricity costs	218,297	163,738
Printing and stationery	85,692	88,216
Connection and communication charges	319,049	241,902
Periodicals and other book subscriptions	138,137	132,818
Human capital related expenses	8,017	36,745
Fines and penalties	10,000	781
Disallowed VAT and other tax expenses	192,642	213,047
Advertising and publicity	59,822	17,988
Audit fees	41,393	39,000
Office cash handling charges	116,916	81,814
Insurance	259,897	201,334
Sundry losses	88,690	25,369
Motor vehicle expenses	69,315	82,680
Donation and grants	3,900	-
Deposit protection insurance	122,827	99,931
Other administrative expenses	142,888	772,168
	2,967,178	**3,225,675**

8(a) Income tax expense

	2025	2024
	Frw'000	Frw'000
Current income tax	1,688,926	2,340,901
Deferred income tax charge (Note 20)	21,971	449,934
Prior year over provision on deferred income tax	-	(72,064)
Income tax expense	**1,710,897**	**2,718,771**

8(a) Income tax expense(continued)

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

		2025 Frw'000		2024 Frw'000
Profit before income tax		5,416,100		8,817,147
Tax calculated at the statutory income tax rate of 28% (2024: 28%)		1,516,508		2,468,801
Tax effect of:				
Permanent timing differences:	Effective tax rate		Effective tax rate	
-Other non-deductible expenses[1]	9.7%	523,507	2.2%	193,746
-Other deductible expenses[2]	(6.1%)	(329,118)	0.0%	-
Effect of regulatory tax rate change	0.0%	-	0.6%	56,224
Income tax expense		**1,710,897**		**2,718,771**
Effective tax rate		**31.6%**		**30.8%**

[1]The other non-deductibles expenses include staff welfare expenses, travel expenses, professional fees etc.
[2]The other deductibles expenses include provision for staff long service award contribution for prior years reversed.

8(b) Other income recognized through OCI

	2025 Frw'000	2024 Frw'000
Revaluation surplus on land and building	-	-
Deferred tax credit	-	(72,064)
Total	**-**	**(72,064)**

8(c) Current income tax payable

	2025 Frw'000	2024 Frw'000
At 1 January	-	677,194
Income tax charge for the year	1,688,926	2,340,901
Tax paid during the year	(1,688,926)	(3,018,095)
As at December	-	**-**

		2025	2024
9	**Cash and balances with National Bank of Rwanda**	**Frw'000**	**Frw'000**
	Cash at hand	3,848,825	9,924,614
	Balances with the National Bank of Rwanda	11,023,625	16,979,383
	Cash reserve requirement	6,953,170	4,878,393
		21,825,620	**31,782,390**

The credit quality of unrestricted balances with the National Bank of Rwanda are assessed by reference to external credit ratings from Fitch. As at 31 December 2025, Rwanda's sovereign rating was B+.

		2025	2024
10	**Amounts due from other banks**	**Frw'000**	**Frw'000**
	Operating accounts with other banks	5,542,880	10,455,668
	Interest earning placements with other banks	44,455,030	21,946,845
		49,997,910	**32,402,513**

ECL computed on bank balances and other on-balance sheet assets items was immaterial.

11 Investment securities held at amortised cost

	2025 Frw'000	2024 Frw'000
At amortized cost		
a) Treasury bills		
At 1 January	54,069,920	44,427,709
Additions	129,430,001	76,412,211
Repayments	(123,183,700)	(66,770,000)
At end of the year	**60,316,221**	**54,069,920**
b) Treasury bonds		
As at 1 January	10,075,527	9,833,816
Additions/ revaluation	1,988,053	130,216
Restructure (write off)	-	(8,184,068)
Restructure (new issue)	-	8,780,449
Repayments	(1,401,919)	(484,887)
Impairment provision on investment securities	(3,246,619)	(3,228,915)
At end of the year	**7,415,042**	**6,846,611**
Total investment securities at end of the year	**67,731,263**	**60,916,531**

The gross maturity profile of Investment securities is as follows:

	2025 Frw'000	2024 Frw'000
Treasury bonds maturing:		
• within 3 years	2,329,967	1,576,285
• within more than 5 years	8,331,694	8,499,242
Sub-Total	**10,661,661**	**10,075,527**
Treasury bills maturing:		
• within 91 days	47,230,604	19,812,088
• within 181 days	13,085,617	959,327
• within 1 year	-	33,298,505
Sub-Total	**60,316,221**	**54,069,920**
Total investment in securities	**70,977,881**	**64,145,447**

The Government of Ghana completed the restructure of Ghana Eurobonds in January 2024. The new investment certificates were issued to the bond holders with investment tenor of 2 years and 6 months and 6 years for zero coupon Eurobonds and 13 years for 1.5% coupon per annum Eurobonds being payable semi-annually to the bond holders. Therefore, the Bank bond holdings from the Republic of Ghana as at 31 December 2025 were USD410,959 (2024: USD575,799) zero-coupon bonds last maturing on 03 January 2030 subject to semi-annual principal repayment and USD5,690,682 (2024: USD5,690,682) with 1.5% coupon rate per annum maturing on 03 January 2037 subject to semi-annual coupon payment. As at the date of Financial Statements preparation, the Bank has already received all due semi-annual principal and coupon payments from the bond issuer up to that of 03 January 2026 respectively.

12 Loans and advances

	2025 Frw'000	2024 Frw'000
Overdrafts	7,531,968	3,501,848
Treasury loans	3,656,616	7,393,308
Equipment loans	1,521,492	575,542
Consumer loans	24,156,178	15,350,245
Mortgage loans	5,929,911	3,803,986
Accrued interest	196,364	336,953
Gross loans and advances	**42,992,529**	**30,961,882**
Less provision for impairment of loans and advances	(642,925)	(589,307)
Net loans and advances	**42,349,604**	**30,372,575**

Movements in gross loans and advances are as follows:

31 December 2025	**Stage 1 12-month ECL Frw'000**	**Stage 2 Lifetime ECL Frw'000**	**Stage 3 Lifetime ECL Frw'000**	**Total Frw'000**
Gross carrying amount as at 01 January 2025	29,044,998	396,575	1,520,309	30,961,882
Changes in the gross carrying amount				
– Transfer from stage 1 to stage 2	(930,297)	930,297	-	-
– Transfer from stage 1 to stage 3	(392,541)	-	392,541	-
– Transfer from stage 2 to stage 3	-	(216,668)	216,668	-
– Transfer from stage 3 to stage 1	118,869	-	(118,869)	-
– Transfer from stage 3 to stage 2	-	-	-	-
– Transfer from stage 2 to stage 1	1,286	(1,286)	-	-
– Write-offs	-	-	(132,030)	(132,030)
New financial assets originated or purchased	22,398,617	-	-	22,398,617
Accrued interest	195,329	1,034	14,225	210,588
Repayments	(9,330,362)	(94,292)	(1,021,874)	(10,446,528)
Gross carrying amount as at 31 December 2025	**41,105,899**	**1,015,660**	**870,970**	**42,992,529**

31 December 2024	**Stage 1 12-month ECL Frw'000**	**Stage 2 Lifetime ECL Frw'000**	**Stage 3 Lifetime ECL Frw'000**	**Total Frw'000**
Gross carrying amount as at 01 January 2024	33,843,317	523,664	729,643	35,096,624
Changes in the gross carrying amount				
– Transfer from stage 1 to stage 2	(217,360)	217,360	-	-
– Transfer from stage 1 to stage 3	(1,556,520)	-	1,556,520	-
– Transfer from stage 2 to stage 3	-	(369,245)	369,245	-
– Transfer from stage 3 to stage 1	163,775	-	(163,775)	-
– Transfer from stage 3 to stage 2	-	209,598	(209,598)	-
– Transfer from stage 2 to stage 1	92,401	(92,401)	-	-
– Write-offs	-	-	(63,829)	(63,829)
New financial assets originated or purchased	25,566,654	-	-	25,566,654
Accrued interest	336,574	378	47,569	384,521
Repayments	(29,183,843)	(92,779)	(745,466)	(30,022,088)
Gross carrying amount as at 31 December 2024	**29,044,998**	**396,575**	**1,520,309**	**30,961,882**

12 Loans and advances (continued)

Movements in provisions for impairment of loans and advances are as follows:

	Stage 1 12Months ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Year ended 31 December 2025				
At start of year	297,519	13,939	277,849	589,307
Provision for loan impairment/Remeasurement	74,133	9,263	51,983	135,379
Provision for new financial assets	26,495	-	-	26,495
Transfer from stage 1 to stage 2	(8,498)	8,498	-	-
Transfer from stage 1 to stage 3	(1,767)	-	1,767	-
Transfer from stage 2 to stage 3	-	(8,498)	8,498	-
Transfer from stage 3 to stage 1	62,156	-	(62,156)	-
Write offs	-	-	(132,030)	(132,030)
Adjustment for suspense interest	-	-	23,774	23,774
Net change in the year	152,519	9,263	(108,164)	53,618
At end of year	**450,038**	**23,202**	**169,685**	**642,925**

	Stage 1 12 Months ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Year ended 31 December 2024				
At start of year	156,379	19,366	449,007	624,752
Provision for loan impairment/Remeasurement	-	-	-	-
Provision for new financial assets	-	-	-	-
Transfer from stage 1 to stage 2	(267)	267	-	-
Transfer from stage 1 to stage 3	(2,394)	-	2,394	-
Transfer from stage 2 to stage 3	-	(28,430)	28,430	-
Transfer from stage 3 to stage 1	139,832	-	(139,832)	-
Transfer from stage 3 to stage 2	-	26,705	(26,705)	-
Transfer from stage 2 to stage 1	3,969	(3,969)	-	-
Write offs	-	-	(63,829)	(63,829)
Adjustment for suspense interest	-	-	28,384	28,384
Net change in the year	141,140	(5,427)	(171,158)	(35,445)
At end of year	**297,519**	**13,939**	**277,849**	**589,307**

13 Other assets

	2025	2024
	Frw'000	Frw'000
Prepayments	690,916	311,982
Other accounts receivable	1,424,913	525,505
Tax Recoverable:		
Net tax recoverable (Withholding Tax)*	895,389	667,242
VAT Claimable	764	332
	3,011,982	**1,515,061**

Other accounts receivable breakdown:		
Money gram funds	16,257	12,399
Suspense Merchant Payments	51,161	-
Western Union funds	4,883	8,353
Advance payment suspense	97,321	76,507
Sundry Debtors	411,345	31,014
Cash Shortage Account	6,179	7,817
Guaranty Deposit Recoverable	31,190	28,533
Utilities Account and Tigo push and pull	24,271	67,993
E-Banking bank to wallet suspense account	142,531	106,698
Interest receivables on placements	119,117	30,937
VISA and Mobile money clearing Account	520,657	155,254
	1,424,912	**525,505**

ECL computed on other on-balance sheet assets items was immaterial.

* The Bank applied net-off approach for the income tax payable. Thus, income tax payable was reduced by the amount already paid to the Rwanda Tax Authority as income tax prepayment and withholding tax charged on interest income earned on investments.

14 Intangible assets

	Assets	WIP	Total
	Frw'000	Frw'000	Frw'000
Cost			
At 1 January 2025	3,061,063	1,035,362	4,096,425
Additions	141,072	61,447	202,519
Additions from WIP	78,431	(78,431)	-
At 31 December 2025	**3,280,566**	**1,018,378**	**4,298,944**
Amortization			
At 1 January 2025	(3,018,232)	-	(3,018,232)
Charge for the year	(51,023)	-	(51,023)
At 31 December 2025	**(3,069,255)**	-	**(3,069,255)**
Carrying amount	**211,311**	**1,018,378**	**1,229,689**

	Assets	WIP	Total
	Frw'000	Frw'000	Frw'000
Cost			
At 1 January 2024	3,061,063	-	3,061,063
Additions	-	1,035,362	1,035,362
At 31 December 2024	**3,061,063**	**1,035,362**	**4,096,425**
Amortization			
At 1 January 2024	(2,851,664)	-	(2,851,664)
Charge for the year	(166,568)	-	(166,568)
At 31 December 2024	**(3,018,232)**	-	**(3,018,232)**
Carrying amount	**42,831**	**1,035,362**	**1,078,193**

Intangible assets include computer software and work in progress includes acquisition of intangible assets which are half capitalized pending installations. Intangible assets do not include internally generated assets

15 Property and equipment

	Land and buildings	Leasehold improvements	Motor vehicles	Furniture & fittings& equipment	Works in progress	Total
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Cost / valuation						
As at 1 January 2025	746,765	2,068,739	681,932	4,207,409	1,136,064	8,840,909
Additions	392,850	-	393,325	340,690	1,895,150	3,022,015
Additions From WIP	-	-	-	143,538	(143,538)	-
On disposals	-	-	(110,611)	(73,094)	-	(183,705)
As at 31 December 2025	**1,139,615**	**2,068,739**	**964,646**	**4,618,543**	**2,887,676**	**11,679,219**
Accumulated depreciation						
As at 1 January 2025	66,520	1,426,740	466,993	3,756,130	-	5,716,383
Elimination on disposals	-	-	(110,611)	(58,253)	-	(168,864)
Charge for the year	5,091	86,118	162,263	229,701	-	483,173
As at 31 December 2025	**71,611**	**1,512,858**	**518,645**	**3,927,578**	**-**	**6,030,692**
Carrying amount at 31 December 2025	**1,068,004**	**555,881**	**446,001**	**690,965**	**2,887,676**	**5,648,527**
Cost / valuation						
As at 1 January 2024	746,765	2,065,095	750,942	4,110,926	52,744	7,726,472
Additions	-	3,644	-	162,121	1,083,320	1,249,085
On disposals	-	-	(69,010)	(65,638)	-	(134,648)
As at 31 December 2024	**746,765**	**2,068,739**	**681,932**	**4,207,409**	**1,136,064**	**8,840,909**
Accumulated depreciation						
As at 1 January 2024	62,278	1,305,763	447,243	3,538,220	-	5,353,504
Elimination on disposals	-	-	(69,010)	(65,054)	-	(134,064)
Charge for the year	4,242	120,977	88,760	282,964	-	496,943
As at 31 December 2024	**66,520**	**1,426,740**	**466,993**	**3,756,130**	**-**	**5,716,383**
Carrying amount at 31 December 2024	**680,245**	**641,999**	**214,939**	**451,279**	**1,136,064**	**3,124,526**

15 Property and equipment (continued)

Fair value for buildings

An independent valuation of the Bank's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2023. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income. If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2025 Frw'000	2024 Frw'000
Cost	401,262	401,262
Addition	-	-
Disposal	-	-
Accumulated depreciation	(115,603)	(101,723)
	285,659	299,539

The table below analyses the non-financial assets carried at fair value, by valuation method. The different level of fair value measurement hierarchy is described as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value measurements for level 3 asset using

Recurring fair value measurements	2025 Frw'000	2024 Frw'000
Land and buildings		
As at 01 January	684,487	684,487
Reversal accumulated depreciation	-	-
Revaluation	-	-
Disposals	-	-
As at 31 December	**684,487**	**684,487**

15 Property and equipment (continued)

Land and buildings (Continued)

The Bank engages external, independent and qualified valuer(s) to determine the fair value of the Bank's land and buildings. As at 31 December 2023, the fair values of the land and buildings have been determined by Eng. Theophile Habumugisha.

The external valuations of the level 3 land and buildings were performed using a sales comparison approach. However due to the limited number of similar sales in the local market, the valuations have been performed using unobservable inputs. Based on the external valuers' report, the Finance team has determined these inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices in the corresponding national economy.

For purposes of disclosures, the Bank commissioned the internal property valuer to perform a desktop review to determine the approximate carrying values.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	**Fair value**	**Valuation technique(s)**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
31 December 2025	**Frw'000**			
Land and buildings	908,756	Sales comparison approach	Price per square meter	The higher the price per square meter, the higher the fair value
31 December 2024	**Frw'000**			
Land and buildings	908,756	Sales comparison approach	Price per square meter	The higher the price per square meter, the higher the fair value

Sensitivity of fair value measurements to changes in unobservable market data

The Bank engages the internal property valuer to conduct a review of the Bank's immovable properties i.e., land and building in order to establish the approximate carrying values and the end of financial year. The valuer considers the size of the property and its location together with evidence on sale prices of comparable properties in the neighbourhood. The property values are established considering the current socioeconomic conditions and the estimated costs are in the valuer's opinion of the average costs which can be used as a basis and reference for a possible commercial transaction. Hence, whenever it is observed that there are significant changes (+/-) in the market values of the properties, the Bank can engage external, independent and qualified valuer(s) to determine the fair value of the Bank's land and buildings which forms the basis for Finance Team to recognize new property values in the Bank's financials. This practice can however be done at least in four years.

16(a) Right-of-use asset

	2025 Frw'000	2024 Frw'000
Year ended 31 December		
At start of year	1,427,355	1,468,487
Additions	2,206,344	464,118
Derecognition	(737,098)	(115,092)
Modification on lease cost	65	7,283
Depreciation charge	(405,851)	(397,441)
At end of year	**2,490,815**	**1,427,355**

The Bank leases various office buildings for branches in the normal course of business. The leases for office buildings for branches are typically for a period of between year 2015 and 2036, with option to renew at the end of the term. The Bank has no leases of equipment. None of these leases contains any restrictions or covenants other than the protective rights of the lessor or carries a residual value guarantee.

16(b) IFRS 16- Leases assumption

(i) Lease Term Assumptions

The Bank considered two consecutive terms for the existing lease periods for the various premises used for the Bank activities. The periods range between 1 year for the short ones and 10 years for the longest lease period. This is premised on the going concern of the Bank's activities in the foreseeable future.

(ii) Incremental Borrowing Rate

The Bank settled on using the incremental borrowing rate in measuring the lease liabilities since the interest rate implicit on them could not be readily determined. The Bank adopted the incremental borrowing rates that it would have to pay to borrow over the specified lease periods and with a similar security, for the funds necessary to obtain an asset of a similar value to the right-of-use asset. The incremental borrowing rates are as below:

Lease Period	Borrowing Rate
1-3years	10%
4-7years	7%
8 years and above	5%

17 Due to customers and financial institution

17 (a) Customer deposits

	2025 Frw'000	2024 Frw'000
Current and demand accounts	118,202,696	105,727,901
Term deposits accounts	13,244,055	1,008,044
Savings accounts	15,248,094	13,959,426
Collateral Deposits accounts	734,298	2,618,264
Total	**147,429,143**	**123,313,635**

Customers' deposits only include financial instruments classified as liabilities at amortized cost.
Interest bearing fixed, savings and demand deposits are at fixed interest rates.

The Bank issues guarantee commitments to customers in order to facilitate them to secure and perform various contracts. Such commitments include bid guarantee, performance guarantee, advance payment guarantee and payment guarantee. As at 31 December 2025 the Bank held Rwf473,943,797 cash collateral against guarantee commitments issued to customers (2024: Rwf1,571,192,070).

17(b) Other Borrowings

	2025	2024
	Frw'000	Frw'000
At 1 January	199,895	454,076
Additions in the year (accrued interest)	1,002	3,579
Principal repayment	(126,851)	(252,621)
Interest payment	(7,166)	(5,139)
At 31 December	**66,880**	**199,895**

The other borrowing amount relates to the funds received from National Bank of Rwanda (BNR) as economic stimulus to support customers whose business activities were adversely affected by COVID-19. The Bank received funds in two categories; 1) under Hotel Financing Window at 0% interest rate and 2) under Working Capital Financing Window at 2% interest rate payable within the period equivalent to that given to the respective customers ranging between 1 to 15 years.

17(c) Amount due to other banks

The Bank was not involved in the interbank borrowing for the year ended 31 December 2025 (2024: Nil).

18 (a) Lease Liabilities

	2025	2024
	Frw'000	Frw'000
Maturity analysis		
Expected to be settled within 1 year	30,415	8,943
Expected to be settled within 1 to 5 years	2,276,174	1,321,396
Expected to be settled within 5 years and above	726,712	537,250
Total	**3,033,301**	**1,867,589**
The total cash outflow for leases in the year was:		
Payments of principal portion of the lease liabilities	405,066	404,158
Interest accrued on lease liabilities	116,669	123,637
Total lease payments in the year	**521,735**	**527,795**

(b) Lease liabilities movement

	2025	2024
At 1 January	1,654,301	1,715,899
Additions	2,206,344	464,118
Derecognition	(849,709)	(133,200)
Increase on lease cost	809	11,642
Interest accrued on lease liabilities	116,669	123,637
Lease payments in the year	(521,735)	(527,795)
At 31 December	**2,606,679**	**1,654,301**

19 Other Liabilities

19(a) Provision for litigations

	2025 Frw'000	2024 Frw'000
At 1 January	133,068	137,298
Additional provision during the year	(45,097)	-
Payouts from provision	-	(4,230)
At 31 December	**87,971**	**133,068**

Provision for litigation arise out of actual claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customer, counter parties or other parties in civil litigations. These provisions are best estimate at the end of the reporting period. The Bank is of the opinion that disclosing these events on a case-by-case basis would prejudice their outcome, hence such detailed disclosures have not included in the Bank financials statement. The Bank continues to vigorously defend its position. The Directors continue to monitor the development of these matters and to the extent those developments may have a major impact on its financial position or may significantly affect its ability to meet its commitments, the Bank shall disclose those developments in line with relevant reporting standard.

19(b) Other liabilities

	2025 Frw'000	2024 Frw'000
Accrued expenses	2,142,908	1,720,853
Deferred fees and commissions	201,702	222,738
Other taxes payable	464,003	526,897
Other payables*	3,078,441	367,248
Total	**5,887,054**	**2,837,736**

*The other payables include liabilities relating to money transfers channels such as world remit, visa cards and Mastercard etc and interbank clearing suspense.

Deferred fees and commissions reconciliation	2025 Frw'000	2024 Frw'000
As at 1 January	222,738	183,806
Additions	235,943	377,188
Recognized	(256,979)	(338,256)
As at 31 December	**201,702**	**222,738**

20 Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 28% (2024: 28%). The movement on the deferred income tax account is as follows:

	2025 Frw'000	2024 Frw'000
At start of year	(800,638)	(1,250,573)
Deferred tax charge/(credit) for the year	21,971	377,871
Revaluation reserve on land and buildings	-	72,064
Deferred tax (asset)/ liability	**(778,667)**	**(800,638)**

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

Deferred income tax details	01-Jan Frw'000	Prior year under/(over)provision Frw'000	(Credited) / Charged to PL Frw'000	(Credited) / Charged to OCI Frw'000	31-Dec Frw'000
Year ended 31 December 2025					
Property and equipment					
- On a historical basis	191,162	-	33,105	-	224,267
- On a revaluation basis	9,138	-	(1,315)	-	7,823
IFRS 16 application	(63,544)	-	31,103	-	(32,441)
Provisions for loan loss	(87,209)	-	(45,299)	-	(132,508)
Provisions for investment securities	(904,096)	-	(4,957)	-	(909,053)
Revaluation on land and building	103,848	-	-	-	103,848
Other provisions	(49,937)	-	9,334	-	(40,603)
Net Balance (asset)/liability	**(800,638)**	**-**	**21,971**	**-**	**(778,667)**

	01-Jan Frw'000	Prior year under/(over)provision Frw'000	(Credited) / Charged to PL Frw'000	(Credited) / Charged to OCI Frw'000	31-Dec Frw'000
Year ended 31 December 2024					
Property and equipment					
- On a historical basis	314,333	-	(123,171)	-	191,162
- On a revaluation basis	10,976	-	(1,838)	-	9,138
IFRS 16 application	(72,745)	-	9,201	-	(63,544)
Provisions for loan loss	(51,674)	-	(35,535)	-	(87,209)
Provisions for investment securities	(1,440,022)	-	535,926	-	(904,096)
Revaluation on land and building	36,986	72,064	-	(5,202)	103,848
Other provisions	(48,427)	-	(1,510)	-	(49,937)
Net Balance (asset)/Liability	**(1,250,573)**	**72,064**	**383,073**	**(5,202)**	**(800,638)**

21 Share capital

Balance at 1 January
Share issuance

Balance at 31 December

The total authorized and issued number of ordinary shares is 20,000,000 (2024: 20,000,000) with a par value of Frw1,000 per share (2024: Frw1000 per share). All issued shares are fully paid. The Bank has not paid any dividend to the shareholders for the year 2025 (2024: Nil). The voting rights of the shareholders is 1 vote per share.

22 Revaluation reserve

The revaluation reserve represents the surplus on the revaluation of buildings that is not distributable. Movements in the revaluation reserve are shown on the statement of changes in equity.

	2025 Frw'000	2024 Frw'000
At beginning of year	261,835	349,159
Direct transfer of accumulated depreciation on disposal of revalued asset	-	(15,260)
Revaluation gain during the year - gross	-	-
Revaluation gain tax	-	(72,064)
At end of year	**261,835**	**261,835**

23(a) Retained earnings

	2025 Frw'000	2024 Frw'000
At beginning of year	14,944,659	8,777,431
Transferred to share capital	-	-
Transfer (to)/from revaluation reserve	-	72,064
Transferred from revaluation reserve	-	15,260
Transfer from statutory reserve	70,908	53,592
Comprehensive income for the year	3,705,203	6,026,312
At the end of year	**18,720,770**	**14,944,659**

23(b) Statutory Reserve

At beginning of year	74,653	128,245
Transferred in the year	(70,908)	(53,592)
At the end of year	**3,745**	**74,653**

Article 26 of Regulation No. 86/2024 of 19/12/2024 on credit facilities classification and provisioning for banks requires that where provisions determined using IFRS are lower than provisions determined using the National Bank of Rwanda Regulation, the difference shall be treated as an appropriation from retained earnings and placed in a non-distributable reserve.

24 Related party transactions

The Bank is controlled by Guaranty Trust Bank (Kenya) Limited incorporated in Kenya, which is in turn controlled by Guaranty Trust Holding Company plc incorporated in Nigeria (Ultimate parent company), the latter being the ultimate parent of the Group. There are other companies that are related to Guaranty Trust Bank (Rwanda) plc through common shareholdings or common directorships.

A number of banking transactions are entered into with related parties. These include operation of current accounts, placement of deposits and foreign currency transactions. The transactions are unsecured and conventional terms and conditions apply as governed by the conventional banking regulations for the respective jurisdictions on which the entities operate in.

The volumes of related-party transactions, outstanding balances at the year-end, and related expense and income for the year are as follows:

	2025 Frw'000	2024 Frw'000
(a) Placements and operating accounts with related parties		
Guaranty Trust Bank (Nigeria) Limited	1,829,707	73,216
Guaranty Trust Bank (Kenya) Limited	11,878	6,444
Guaranty Trust Bank (UK) Limited	3,916,776	2,808,686
	5,758,361	**2,888,346**
Interest income earned on placements with related parties	92,130	20,065
(b) Non-interest-bearing amounts due to related parties:		
Guaranty Trust Bank (Kenya) Limited	1,964	1,964
Total	**1,964**	**1,964**
(c) Deposits by Directors		
At start of year	30,097	5,374
Deposits/ (withdrawals)	24,723	24,723
At end of year	**54,820**	**30,097**
(d) Key management compensation		
Salaries and other short-term employment benefits	**858,566**	**599,970**
(e) Directors' remuneration		
Fees for services as a director	**90,662**	**114,686**

25 Analysis of cash and cash equivalents as shown in the cash flow statement

	2025 Frw'000	2024 Frw'000
Cash and Balances with Central Bank of Rwanda (Note 9)	21,825,620	31,782,390
Treasury bills maturing within 91 days (Note 11)	47,230,604	19,812,088
Placements with other banks (Note 10)	49,997,910	32,402,513
	119,054,134	**83,996,991**

For purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than 91 days to maturity including: cash and balances with the National Bank of Rwanda, treasury bills and other eligible bills, and amounts due from other banks.

Included within cash and cash equivalents are the cash reserve requirements (CRR) held with the National Bank of Rwanda. Banks are required to maintain a prescribed minimum cash balance with the National Bank of Rwanda that is held for depositors. Banks are required to maintain a prescribed minimum cash balance with the National Bank of Rwanda that is not available to finance the Bank's day-to-day activities. The amount is determined as 5% in 2025 (2024: 5%) of the outstanding customer deposits over a cash reserve cycle period of two weeks.

26 Off balance sheet financial instruments, contingent liabilities and commitments

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

	2025 Frw'000	2024 Frw'000
Contingent liabilities		
Acceptances and letters of credit	-	-
Guarantees and performance bonds	9,350,533	14,382,078
Total	**9,350,533**	**14,382,078**

Nature of contingent liabilities

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

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

Other commitments

	2025 Frw'000	2024 Frw'000
Undrawn formal stand-by facilities, credit lines and other commitments to lend	**6,892,661**	**3,439,845**

26 Off balance sheet financial instruments, contingent liabilities and commitments (Continued)

Nature of commitments

Commitments to lend are agreements to lend to a customer in future subject to certain conditions. Such commitments are normally made for a fixed period. The bank may withdraw from its contractual obligation for the undrawn portion of agreed overdraft limits by giving reasonable notice to the customer.

ECL computed on off-balance sheet assets items was immaterial during financial year 2025 and 2024.

27 Financial risk management

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

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

(a) Credit risk

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

(i) Credit risk measurement

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

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

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

Probability of default

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

27 Financial risk management (continued)

(a) Credit risk (continued)

(i) The Bank's internal ratings scale

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

Description of the grade	Grade characteristics	Regulatory rating	Bank's rating
Performing	Facilities whose payments of principal and interest are up to date/overdue by up to 29 days	I	I
Watch	Facilities whose payments of principal and/ interest are overdue by up to 89 days	II	II
Substandard	Facilities whose payments of principal and/ interest are overdue by up to 179 days	III	III
Doubtful	Facilities whose payments of principal and/ interest are overdue by up to 1 year	IV	IV
Loss	Facilities whose payments of principal and/ interest are overdue by over 1 year	V	V

Exposure at default

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

Loss given default

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

(ii) Risk limit control and mitigation policies

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

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 forward foreign exchange contracts. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate.

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

- Mortgages over properties;
- Charges over business assets such as premises, plant and equipment; and
- Charges over financial instruments such as debt securities and equities.

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

(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer 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 a direct borrowing.

27 Financial risk management (continued)

(a) Credit Risk (Continued)

(iii) Credit related commitments (continued)

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

(iv) Impairment and provisioning policies

The impairment allowance shown in the balance sheet at year-end is derived from each of the five internal rating grades. The bank determines the impairment provision on loans and advances to customers as the difference between the carrying amount of a loan balance and the present value of estimated future cash flows, discounted at the loan's effective interest rate.

Movement in impairment loss on loans and advances are as follows:

	2025 Frw'000	2024 Frw'000
At 1 January	589,307	624,752
Provision for loan impairment:		
-Against Stage 1	100,627	-
-Against Stage 2	9,263	-
-Against Stage 3	51,983	-
Adjustment for suspended interest	23,775	28,384
Amounts written off during the period	(132,030)	(63,829)
Net change in the year	53,618	(35,445)
As at 31 December	**642,925**	**589,307**

(v) Definition of default

In line with the accounting standard, the Bank adopts a multi factor approach in assessing changes in credit risk – quantitative (primary), qualitative (secondary) and back stop indicators. These factors are critical in allocating financial assets into stages.

The Bank has considered the following in determining the staging of facilities:

(i) Qualitative factors;
-The customer's risk rating

(ii) Quantitative factors;
-The facility's arrears status
- Number of restructures, if any
-Change in customer rating since origination

(iii) The indicators of Significant Increase in Credit Risk (SICR):
-The facility more than 30 days past due
-The decline of two points or higher in rating since origination

27 Financial risk management (continued)

(a) Credit Risk (Continued)

(vi)measurements

a) Categorization of loans and advances

The table below analyses the group's loans and advances based on the categorization by performance of the loans and the allowances taken on them.

	December-2025			December-2024		
	Loans to Individual	**Loans to non-Individual**	**Total**	**Loans to Individual**	**Loans to non-Individual**	**Total**
	FRW'000	**FRW'000**	**FRW'000**	**FRW'000**	**FRW'000**	**FRW'000**
Stage 1	30,394,702	10,711,197	**41,105,899**	19,034,350	10,010,648	**29,044,998**
Stage 2	958,146	57,515	**1,015,661**	264,056	132,519	**396,575**
Stage 3	264,257	606,711	**870,968**	383,654	1,136,655	**1,520,309**
Gross Loans and Advances	**31,617,105**	**11,375,423**	**42,992,528**	**19,682,060**	**11,279,822**	**30,961,882**
Less expected credit losses:						
Stage 1	249,721	200,317	**450,038**	190,343	107,176	**297,519**
Stage 2	13,256	9,946	**23,202**	6,936	7,003	**13,939**
Stage 3	97,329	72,357	**169,686**	63,569	214,280	**277,849**
Total allowance	**360,306**	**282,620**	**642,926**	**260,848**	**328,459**	**589,307**
Net Loans and Advances	**31,256,799**	**11,092,803**	**42,349,602**	**19,421,212**	**10,951,363**	**30,372,575**

27 Financial risk management (continued)

(a) Credit Risk (Continued)

Each category of the gross loans is further analysed into Product lines as follows:

	December-2025			December-2024		
	Loans to Individual	Loans to non-Individual	Total	Loans to Individual	Loans to non-Individual	Total
	FRW'000	FRW'000	FRW'000	FRW'000	FRW'000	FRW'000
Loans	30,237,263	3,313,082	**33,550,345**	18,818,519	6,726,044	**25,544,563**
Overdrafts	157,439	7,398,116	**7,555,555**	215,830	3,284,605	**3,500,435**
Stage 1	**30,394,702**	**10,711,198**	**41,105,900**	- **19,034,349**	**10,010,649**	**29,044,998**
Loans	958,146	57,515	**1,015,661**	264,008	132,519	**396,527**
Overdrafts	-	-	-	**48**	-	**48**
Stage 2	**958,146**	**57,515**	**1,015,661**	**264,056**	**132,519**	**396,575**
Loans	248,547	606,711	**855,258**	382,291	1,136,654	**1,518,945**
Overdrafts	15,710	-	**15,710**	1,364	-	**1,364**
Stage 3	**264,257**	**606,711**	**870,968**	**383,655**	**1,136,654**	**1,520,309**
Gross Loans and Advances	**31,617,105**	**11,375,424**	**42,992,529**	**19,682,060**	**11,279,822**	**30,961,882**

27 Financial risk management (continued)

(a) Credit Risk (Continued)

The impairment allowance on loans is further analysed along the product lines as follows:

	December-2025			December-2024		
	Loans to Individual	Loans to non-Individual	Total	Loans to Individual	Loans to non-Individual	Total
	FRW'000	FRW'000	FRW'000	FRW'000	FRW'000	FRW'000
Stage 1:						
Loans	248,146	126,336	**374,482**	187,621	75,947	**263,568**
Overdrafts	1,574	73,981	**75,555**	2,723	31,228	**33,951**
Sub-total	**249,720**	**200,317**	**450,037**	**190,344**	**107,175**	**297,519**
Stage 2:						
Loans	13,256	9,946	**23,202**	6,935	7,004	**13,939**
Overdrafts	-	-	**-**	-	-	**-**
Sub-total	**13,256**	**9,946**	**23,202**	**6,935**	**7,004**	**13,939**
Stage 3:						
Loans	94,187	72,357	**166,544**	63,569	214,221	**277,790**
Overdrafts	3,142	-	**3,142**	-	59	**59**
Sub-total	**97,329**	**72,357**	**169,686**	**63,569**	**214,280**	**277,849**
Total allowance	**360,305**	**282,620**	**642,925**	**260,848**	**328,459**	**589,307**

ECL computed on bank balances, other on-balance sheet assets and off-balance sheet items was immaterial.

27 Financial risk management (continued)

(a) Credit Risk (Continued)

b) Summary of collaterals pledged by customers against loans and advances

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers shown below:

	Loans and advances to customers		
December-2025	**Gross Loans**	**Collateral**	**Excess Cover**
	FRW'000	**FRW'000**	**FRW'000**
Against Stage 1 Loans and Advances	41,105,899	51,455,880	10,349,981
Against Stage 2 Loans and Advances	1,015,661	3,788,558	2,772,897
Against Stage 3 Loans and Advances	870,969	3,922,711	3,051,742
Total	**42,992,529**	**59,167,149**	**16,174,620**
December-2024	**Gross Loans**	**Collateral**	**Excess Cover**
	FRW'000	**FRW'000**	**FRW'000**
Against Stage 1 Loans and Advances	29,044,998	50,726,705	21,681,707
Against Stage 2 Loans and Advances	396,575	1,194,357	797,782
Against Stage 3 Loans and Advances	1,520,309	5,061,850	3,541,541
Total	**30,961,882**	**56,982,912**	**26,021,030**

27 Financial risk management(continued)

(a) Credit Risk (Continued)

Summary of collaterals pledged by customers against loans and advances (Continued)

Analysis of credit collateral is further shown below:

Collaterals against:	Loans and advances to customers December-25			Loans and advances to customers December-24		
In FRW'000	**Term Loans**	**Overdrafts**	**Total**	**Term Loans**	**Overdrafts**	**Total**
Against Stage 1 Loans and Advances:						
Property	36,385,847	14,741,973	51,127,820	39,599,998	10,745,006	50,345,004
Cash	163,515	-	163,515	4,767	-	4,767
Others	156,939	7,605	164,544	371,474	5,460	376,934
Total	**36,706,301**	**14,749,578**	**51,455,879**	**39,976,239**	**10,750,466**	**50,726,705**
Against Stage 2 Loans and Advances:						
Property	3,788,558	-	3,788,558	1,194,357	-	1,194,357
Cash	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**3,788,558**	**-**	**3,788,558**	**1,194,357**	**-**	**1,194,357**
Against Stage 3 Loans and Advances:						
Property	3,788,558	-	3,788,558	4,927,197	-	4,927,197
Cash	-	-	-	500	-	500
Others	134,153	-	134,153	134,153	-	134,153
Total	**3,922,711**	**-**	**3,922,711**	**5,061,850**	**-**	**5,061,850**
Grand total	**44,417,570**	**14,749,578**	**59,167,148**	**46,232,446**	**10,750,466**	**56,982,912**

The table above indicates the collaterals held by the Bank against loans and advances granted to customers. All the collaterals are accepted by the National Bank of Rwanda (BNR) and there has not been a significant change in quality of collateral. The collaterals include commercial and residential buildings, empty plot of land, motor vehicles, inventory and cash. Buildings and movable assets have mitigated risk through uptake of insurance policy. This approach has been consistent over the period under review. The Bank policy is to pursue timely realization of the collateral in an orderly manner. The quality of the pledged collaterals has not significantly changed over the period under review

27 Financial risk management(continued)

(a) Credit Risk (Continued)

vi) Maximum exposure to credit risk before collateral held or other credit enhancements

Maximum exposure to credit risk before collateral held

	2025 Frw'000	2024 Frw'000
Balances with Central Bank	17,976,795	21,857,776
Amounts due from other banks	49,997,910	32,402,513
Loans and advances to customers	42,349,604	30,372,575
Investment securities	67,731,263	60,916,531
Other assets	1,424,912	525,506
Credit risk exposures relating to off-balance sheet items:		
- Acceptances and letters of credit	-	-
- Guarantee and performance bonds	9,350,533	14,382,078
- Commitments to lend	6,892,661	3,439,845
	195,723,678	**163,896,824**

The above table represents a worst-case scenario of credit risk exposure to the Bank at 31 December 2025 and 31 December 2024, without taking account of any collateral held or other credit enhancements attached. For on-statement of financial position assets, the exposures set out above are based on carrying amounts as reported on the statement of financial position.

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

Loans and advances are summarized as follows:

	Bank's rating	2025 Frw'000	2024 Frw'000
Neither past due nor impaired	Class I	41,881,150	30,105,897
Past due but not impaired	Class II	911,131	396,575
Individually impaired	Class III, IV & V	200,248	459,410
Gross loans and advances		**42,992,529**	**30,961,882**
Less: Expected credit losses (Note 12)		(642,925)	(589,307)
Net Loans and Advances		**42,349,604**	**30,372,575**

No other financial assets are either past due or impaired. All financial assets that are neither past due nor impaired are within their approved exposure limits however some financial assets have had their terms restructured. None of the Bank's credit risk counter parties are rated except the Government of Rwanda, the issuer of the Bank's investment securities which has B rating.

Different loan facilities held by the Bank are supported by collaterals as shown below:

	2025 Frw'000	2024 Frw'000
Overdrafts	14,749,578	10,750,466
Personal loans	17,200,233	19,850,543
Commercial Loans	16,991,140	18,728,705
Mortgages	10,226,198	7,653,198
Total collateral fair value	**59,167,149**	**56,982,912**

27 Financial risk management

(a) Credit Risk (Continued)

Loans and advances neither past due nor impaired (Class I)

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the internal rating system recommended by the National Bank of Rwanda. Estimates of fair value are based on the value of collaterals assessed at the time of borrowing and are updated at least every 3 years and regularly when individually assessed as impaired.

	2025 Frw'000	2024 Frw'000
Standard	41,881,150	30,105,897
Fair value of collateral held and other security enhancements held against financial assets	55,179,606	54,504,975

Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary. The gross amounts of loans and advances that were past due but not impaired were as follows:

	2025 Frw'000	2024 Frw'000
Past due 1 – 89 days	911,131	396,575
Fair value of collateral held	3,561,646	1,069,622

Financial risk management objectives and policies

Loans and advances individually impaired

Of the total gross amount of impaired loans, the following amounts have been individually assessed:

	2025 Frw'000	2024 Frw'000
Individually assessed impaired loans and advances		
Class III	80,634	141,676
Class IV	56,160	205,607
Class V	63,453	112,127
	200,247	**459,410**
Fair value of collateral held	50,087	1,408,315

Collaterals repossession policy

The Bank's policy is to sell all repossessed 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 a result of this practice, the collaterals under legal repossession processes are not recorded on the reporting date.

27 Financial risk management

(a) Credit Risk (Continued)

Financial assets without ECL due to collaterals held

	2025 Frw'000	2024 Frw'000
Loans and advances	3,473,837	5,557,915
Exposure relating to off-balance sheet items	500,000	671,803
Other financial assets	27,368,500	42,236,545
	31,342,337	**48,466,263**

The financial assets present above have no ECL at the end of the year respectively attributable to acceptable collaterals such as properties, cash, other assets and guarantees held against the credit exposures held at the end of each reporting period. This results from IFRS9 application.

(vii) Concentrations of risk

(i) On-balance sheet Items

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

	2025 %	2024 %
Manufacturing	9.3	9.7
Wholesale and retail trade	3.9	10.5
Transportation and Warehousing	0.6	0.4
Business services	2.8	3.4
Agricultural	0.0	0.1
Individuals	72.1	59.1
Construction and real estate	0.5	3.0
Education	0.5	1.6
Information and communication	4.7	10.6
Petroleum & Energy	5.6	1.6
	100.0	**100.0**

(ii) Off-balance sheet Items

	2025 %	2024 %
Manufacturing	0.0	0.0
Wholesale and retail trade	2.4	2.4
Business services	4.3	3.0
Financial Institutions	1.0	1.8
Construction and real estate	92.3	92.7
Information and communication	0.0	0.0
Others	0.0	0.1
	100.0	**100.0**

27. Financial Risk Management (continued)

(a) Credit risk (continued)

Credit quality of financial instruments (loans and advances)

	2025	2024
	Frw'000	Frw'000
Stage I	41,105,899	29,044,998
Stage II	1,015,661	396,575
Stage III	870,969	1,520,309
Gross loan and advances	**42,992,529**	**30,961,882**

		31 December 2025			
	12-month	Frw000	Frw000	Frw000	Frw000
Internal rating grade	**Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.00%-0.5%	381,781	274	-	382,055
Standard grade	0.50%-11.70%	40,724,119	827,139	523,108	42,074,366
Sub-standard grade	11.70%-29.50%	-	188,248	-	188,248
Low-grade	29.50%-100%	-	-	176,763	176,763
Non-performing					
Individually impaired	100%	-	-	171,097	171,097
Total		**41,105,900**	**1,015,661**	**870,968**	**42,992,529**

	12-month	31 December 2024			
Internal rating grade	**Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.00%-0.5%	4,796,280	360	-	4,796,640
Standard grade	0.50%-11.70%	24,242,348	391,186	1,187,691	25,821,225
Sub-standard grade	11.70%-29.50%	6,370	3,350	-	9,720
Low-grade	29.50%-100%	-	1,679	2,927	4,606
Non-performing					
Individually impaired	100%	-	-	329,691	329,691
Total		**29,044,998**	**396,575**	**1,520,309**	**30,961,882**

(b) Liquidity risk

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

27 Financial risk management (continued)

The cashflows presented in the above liquidity analysis table are undiscounted. The bank has an open line of credit from the group in the event that is needed funds to close any future liquidity gaps.

(b) Liquidity risk (continued)

At 31 December 2025

	Up to 1 Month FRW'000	1 to 3 months FRW'000	3 to12 months FRW'000	1 to 5 Years FRW'000	Over 5 years FRW'000	Total FRW'000
Liabilities						
Customer deposits	14,247,081	31,729,735	76,225,954	25,629,436	-	147,832,206
Other Borrowing	-	-	-	-	66,880	66,880
Other liabilities	5,423,050	-	-	-	-	5,423,050
Lease liabilities	-	-	30,415	2,276,174	726,712	3,033,301
Total liabilities (undiscounted contractual maturities)	**19,670,131**	**31,729,735**	**76,256,369**	**27,905,610**	**793,592**	**156,355,437**
Assets						
Cash and balances with National Bank of Rwanda	21,825,620	-	-	-	-	21,825,620
Investment securities	10,210,144	37,494,800	14,569,396	2,585,426	8,952,199	73,811,965
Amounts due from other banks	20,355,180	21,796,125	7,846,605	-	-	49,997,910
Loans and advances to customers	185,707	4,597,819	4,267,376	36,647,885	8,638,667	54,337,454
Other assets	1,424,912	-	-	-	-	1,424,912
Total assets (expected maturities)	**54,001,563**	**63,888,744**	**26,683,377**	**39,233,311**	**17,590,866**	**201,397,861**
Net liquidity gap	**34,331,432**	**32,159,009**	**(49,572,992)**	**11,327,701**	**16,797,274**	**45,042,423**
Liquidity analysis for Off balance sheets items						
Financial guarantees issued	1,009,348	1,841,937	6,083,253	410,495	5,500	9,350,533
Commitments	-	5,774,431	1,118,230	-	-	6,892,661
Letter of credits	-	-	-	-	-	-
Total off-balance sheet items	**1,009,348**	**7,616,368**	**7,201,483**	**410,495**	**5,500**	**16,243,194**

27 Financial risk management (continued)

(b) Liquidity risk(continued)

At 31 December 2024

	Up to 1 Month FRW'000	1 to 3 months FRW'000	3 to12 months FRW'000	1 to 5 Years FRW'000	Over 5 years FRW'000	Total FRW'000
Liabilities						
Customer deposits	15,330,119	19,241,411	65,296,267	23,663,104	-	123,530,901
Other Borrowing	15,210	-	106,517	-	72,960	194,687
Other liabilities	2,310,840	-	-	-	-	2,310,840
Lease liabilities	-	-	8,942	1,321,396	537,250	1,867,588
Total liabilities (Contractual maturities)	**17,656,169**	**19,241,411**	**65,411,726**	**24,984,500**	**610,210**	**127,904,016**
Assets						
Cash and balances with National Bank of Rwanda	31,782,390	-	-	-	-	31,782,390
Investment securities	10,000,000	9,999,500	37,728,838	262,447	9,822,582	67,813,367
Amounts due from other banks	26,455,668	5,531,949	414,896	-	-	32,402,513
Loans and advances to customers	1,121,875	3,820,786	2,218,713	25,997,068	5,322,248	38,480,690
Other assets	525,506	-	-	-	-	525,506
Total assets (Expected maturities)	**69,885,439**	**19,352,235**	**40,362,447**	**26,259,515**	**15,144,830**	**171,004,466**
Net liquidity gap	**52,229,270**	**110,824**	**(25,049,279)**	**1,275,015**	**14,534,620**	**43,100,450**
Liquidity analysis for Off balance sheets items						
Financial guarantees issued	6,361,257	6,854,824	980,933	179,565	5,500	14,382,079
Commitments	514,576	2,291,020	634,249	-	-	3,439,845
Letter of credits	-	-	-	-	-	-
Total off-balance sheet items	**6,875,833**	**9,145,844**	**1,615,182**	**179,565**	**5,500**	**17,821,924**

The cashflows presented in the above liquidity analysis table are undiscounted

2' Financial risk management (continued)

(c) Market risk

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

(i) Currency risk

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

The table below summarizes the Bank's exposure to foreign currency exchange rate risk at 31 December 2025 and 31 December 2024. Included in the table are the Bank's financial instruments, categorized by currency.

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

At 31 December 2025

Assets	**USD**	**GBP**	**EUR**	**Other**	**Total**
	Frw'000	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Cash and balance with National Bank of Rwanda	8,771,663	147,299	2,635,361	934	**11,555,257**
Investment securities	8,928,848	-	-	-	**8,928,848**
Amounts due from other banks	38,850,114	187,329	1,958,161	2,306	**40,997,910**
Loans and advance to customers	-	-	-	-	**-**
Other assets	50,674	-	-	100	**50,774**
	56,601,299	**334,628**	**4,593,522**	**3,340**	**61,532,789**
Liabilities					
Customer deposits	59,173,462	332,289	4,568,909	-	**64,074,660**
Other liabilities	69,786	-	21,377	-	**91,163**
Total liabilities	**59,243,248**	**332,289**	**4,590,286**	**-**	**64,165,823**
Currency exposure gap	**(2,641,949)**	**2,339**	**3,236**	**3,340**	**(2,633,034)**

27 Financial risk management (continued)

(c) Market risk(continued)

(i) Currency risk

At 31 December 2024	USD	GBP	EUR	Other	Total
Assets	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Cash and balance with National Bank of Rwanda	16,634,705	52,942	2,229,607	889	**18,918,143**
Investment securities	10,075,527	-	-	-	**10,075,527**
Amounts due from other banks	10,489,616	49,748	5,861,763	-	**16,401,127**
Loans and advance to customers	-	-	-	-	-
Other assets	2,055,899	-	-	100	**2,055,999**
	39,255,747	**102,690**	**8,091,370**	**989**	**47,450,796**
Liabilities					
Customer deposits	38,965,702	102,634	8,072,702	-	**47,141,038**
Other liabilities	7,832	5	18,106	-	**25,943**
Total liabilities	**38,973,534**	**102,639**	**8,090,808**	-	**47,166,981**
Currency exposure gap	**282,213**	**51**	**562**	**989**	**283,815**

Currency risk exposure is predominantly as a result of exposure to US dollar denominated balances. The following table demonstrates the sensitivity to a reasonably possible change in the below mentioned exchange rates of major transaction currencies, with all other variables held constant, of the Bank's profit before tax and equity (due to changes in the fair value of monetary assets and liabilities). For equity impact, the Bank has assumed the impact on P/L account net of tax at local regulatory tax rate of 28% (2024: 28%).

Currency	Increase/decrease in exchange rate	P/L Impact 2025 Frw'000	P/L Impact 2024 Frw'000	Equity Impact 2025 Frw'000	Equity Impact 2024 Frw'000	2025 Middle rate	2025 Closing rate	2024 Middle rate	2024 Closing rate
USD	+/-10%	264,195	28,221	190,220	20,319	1,428.8804	1,453.0750	1,318.6445	1,382.9873
GBP	+/-10%	234	5	168	4	1,884.0981	1,956.1296	1,686.3335	1,735.7183
EURO	+/-10%	324	56	233	40	1,615.6091	1,705.8374	1,426.9648	1,439.2057

27 Financial risk management (continued)

(a) Credit Risk (Continued)

b) Summary of collaterals pledged by customers against loans and advances

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers shown below:

	Loans and advances to customers		
December-2025	**Gross Loans**	**Collateral**	**Excess Cover**
	FRW'000	**FRW'000**	**FRW'000**
Against Stage 1 Loans and Advances	41,105,899	51,455,880	10,349,981
Against Stage 2 Loans and Advances	1,015,661	3,788,558	2,772,897
Against Stage 3 Loans and Advances	870,969	3,922,711	3,051,742
Total	**42,992,529**	**59,167,149**	**16,174,620**
December-2024	**Gross Loans**	**Collateral**	**Excess Cover**
	FRW'000	**FRW'000**	**FRW'000**
Against Stage 1 Loans and Advances	29,044,998	50,726,705	21,681,707
Against Stage 2 Loans and Advances	396,575	1,194,357	797,782
Against Stage 3 Loans and Advances	1,520,309	5,061,850	3,541,541
Total	**30,961,882**	**56,982,912**	**26,021,030**

27. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily. The Bank's fixed interest rate financial instruments are deposits with financial institutions, customer deposits, loans and advances. The Bank had no variable interest rate financial instrument as of 31 December 2025 (2024: Nil). No limits are placed on the ratio of variable rate financial instruments to fixed rate financial instruments. Investment contracts with fixed and guaranteed terms deposits with financial institutions held to maturity are accounted for at amortized cost and their carrying amounts are not sensitive to changes in the level of interest rates.
The tables below summarize the Bank's exposure to interest rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates. The Bank does not bear interest rate risk on off balance sheet items. All figures are in thousands of Rwandan Francs.

At 31 December 2025	**Av. Int. Rate %**	**Up to 1 month Frw'000**	**1 – 3 months Frw'000**	**3 – 12 Months Frw'000**	**Over 1 year Frw'000**	**Non-interest bearing Frw'000**	**Total Frw'000**
Assets							
Cash and balances with Central Bank of Rwanda	0.0%	-	-	-	-	21,825,620	**21,825,620**
Investment securities	6.9%	10,192,491	37,038,113	13,085,616	6,817,889	597,154	**67,731,263**
Amounts due from other banks	4.4%	14,812,300	21,796,125	4,359,225	-	3,271,899	**44,239,549**
Amounts due from group companies	3.3%	-	-	3,487,380	-	2,270,981	**5,758,361**
Loans and advances to customers	14.0 %	187,653	4,536,896	4,091,637	33,533,418	-	**42,349,604**
Other assets	0.0%	-	-	-	-	3,011,982	**3,011,982**
Total assets	**4.8%**	**25,192,444**	**63,371,134**	**25,023,858**	**40,351,307**	**30,977,636**	**184,916,379**
Liabilities							
Customer deposits	3.8%	3,725,958	15,993,466	18,470,904	4,574,304	104,664,512	**147,429,144**
Other borrowing	0.0%	-	-	-	-	66,880	**66,880**
Other liabilities	0.0%	-	-	-	-	5,423,050	**5,423,050**
Income tax payable	0.0%	-	-	-	-	-	**-**
Provisions	0.0%	-	-	-	-	87,971	**87,971**
Lease liabilities	7.0%	-	-	26,137	2,580,542	-	**2,606,679**
Total liabilities	**1.8%**	**3,725,958**	**15,993,466**	**18,497,041**	**7,154,846**	**110,242,413**	**155,613,724**
Interest sensitivity gap	**3.0%**	**21,466,486**	**47,377,668**	**6,526,817**	**33,196,461**	**(79,264,777)**	**29,302,655**
Interest sensitivity P/L impact	**+/- 1%**	**214,665**	**473,778**	**65,268**	**331,965**	**-**	**1,085,676**
Interest sensitivity Equity impact	**+/- 1%**	**154,559**	**341,120**	**46,993**	**239,015**	**-**	**781,687**

27. Financial risk management (continued)
(c) Market risk(continued)
(ii) Interest rate risk(continued)

At 31 December 2024	Av. Int. Rate %	Up to 1 month Frw'000	1 – 3 months Frw'000	3 – 12 Months Frw'000	Over 1 year Frw'000	Non-interest bearing Frw'000	Total Frw'000
Assets							
Cash and balances with Central Bank of Rwanda	0.0%	-	-	-	-	31,782,390	**31,782,390**
Investment securities	8.6%	9,959,525	9,852,564	35,571,669	4,736,451	796,322	**60,916,531**
Amounts due from other banks	6.1%	16,000,000	5,531,949	-	-	7,982,219	**29,514,168**
Amounts due from group companies	4.0%	-	-	414,896	-	2,473,449	**2,888,345**
Loans and advances to customers	14.9 %	1,108,115	3,683,572	2,041,291	23,539,596	-	**30,372,574**
Other assets	0.0%	-	-	-	-	1,515,061	**1,515,061**
Total assets	**5.6 %**	**27,067,640**	**19,068,085**	**38,027,856**	**28,276,047**	**44,549,441**	**156,989,069**
Liabilities							
Customer deposits	5.3%	2,935,461	4,608,860	11,554,201	4,187,823	100,027,289	**123,313,634**
Other borrowing	2.0%	-	-	80,556	-	119,340	**199,896**
Other liabilities	0.0%	-	-	-	-	2,310,840	**2,310,840**
Income tax payable	0.0%	-	-	-	-	-	**-**
Provisions	0.0%	-	-	-	-	133,068	**133,068**
Lease Liabilities	7.0%	-	-	7,921	1,646,380	-	**1,654,301**
Total liabilities	**2.4 %**	**2,935,461**	**4,608,860**	**11,642,678**	**5,834,203**	**102,590,537**	**127,611,739**
Interest sensitivity gap	**3.2 %**	**24,132,179**	**14,459,225**	**26,385,178**	**22,441,844**	**(58,041,096)**	**29,377,330**
Interest sensitivity P/L impact	**+/- 1%**	**241,322**	**144,592**	**263,852**	**224,418**	**-**	**874,184**
Interest sensitivity Equity impact	**+/- 1%**	**173,752**	**104,106**	**189,973**	**161,581**	**-**	**629,412**

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest rates and exchange rates.

27 Financial risk management (continued)

(d) Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the statement of financial position, are;

- To comply with the capital requirements set by the National Bank of Rwanda;
- To safeguard the Bank's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

The Bank's regulator National Bank of Rwanda (BNR) sets and monitors capital requirements for the Bank as a whole. The parent company and individual banking operations are directly supervised by their local regulators.

In implementing current capital requirements, BNR, requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.
The Bank's regulatory capital consists only of Tier 1 capital, which includes ordinary share capital, retained earnings, revaluation reserves and statutory reserves.
The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank's Tier 1 capital expressed as a percentage of risk-weighted assets is set out on the next page. The regulatory capital met the minimum required ratio of 15% and the bank has complied with all externally imposed capital requirements throughout the period.

The Bank's regulatory capital position is as follows:

	2025 Frw'000	2024 Frw'000
Ordinary share capital	20,000,000	20,000,000
Prior years' retained profits	14,944,659	8,777,431
Transferred in the year	70,908	53,592
Transfer from revaluation reserve	-	15,260
Transfer (to)/from revaluation reserve	-	72,064
Comprehensive income for the year	3,705,203	6,026,312
Statutory reserves	3,745	74,653
Issue/ conversion to share capital	-	-
Tier 1 Core capital	**38,724,515**	**35,019,312**
Revaluation reserves on fixed assets (25%)	65,459	65,459
Tier 2 (supplementary capital)	**65,459**	**65,459**
Total capital (Tier 1 + Tier 2)	**38,789,974**	**35,084,771**
Total risk weighted assets (see details below)	**79,235,659**	**56,142,100**
Total capital expressed as a percentage of risk-weighted assets	48.96%	62.49%
Minimum statutory ratio	15%	15%

27 Financial risk management (continued)

(d) Capital management (continued)

Risk weighted assets were as follows:	2025 Frw'000	Risk Weight Per Asset %	2024 Frw'000
Cash and balances with Central Bank of Rwanda	-		-
Amounts due from other banks	9,999,582	20%	6,480,503
Long term securities	7,415,042	100%	6,846,611
Loans and advances to customers	38,069,852	100%	26,896,397
Mortgage loans (residential house)	2,139,876	50%	1,738,089
Property and equipment	5,648,527	100%	3,124,526
Right of use asset	2,490,815	100%	1,427,355
Intangible assets	1,229,689	100%	1,078,193
Other Assets	3,011,982	100%	1,515,061
Financing Commitments given to customers	6,892,661	100%	3,439,845
Guarantees Commitments given to customers	2,337,633	25%	3,595,520
Total risk weighted assets	**79,235,659**		**56,142,100**

(e) Financial assets and liabilities measurements

	Amortized cost 2025 Frw'000	Amortized cost 2024 Frw'000
Financial assets		
Cash and balances with National Bank of Rwanda	21,825,620	31,782,390
Amount due from other banks	49,997,910	32,402,513
Investment securities	67,731,263	60,916,531
Other Assets	1,424,912	525,506
Loans and advances	42,349,604	30,372,575
Total	**183,329,309**	**155,999,515**
Financial liabilities		
Customer deposits	147,429,143	123,313,635
Other liabilities	5,423,050	2,310,840
Other borrowing	66,880	199,895
Lease liabilities	2,606,679	1,654,301
Total	**155,525,752**	**127,478,671**

The table above illustrates the carrying amount of financial instruments under each category. All financial assets and liabilities were carried at amortized cost at the end of each year.

28 Critical accounting estimates and judgments in applying accounting policies

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

(i) Tax expenses

Judgment is required in determining the Banks' provision for tax liability. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognize liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) IFRS 16 -lease assumptions

The Bank considered two consecutive terms for the existing lease periods for the various premises used for the Bank activities. The periods range between 1 year for the short ones and 10 years for the longest lease period. This is premised on the going concern of the Bank's activities in the foreseeable future.

(iii) Incremental Borrowing Rate

The Bank settled on using the incremental borrowing rate in measuring the lease liabilities since the interest rate implicit on them could not be readily determined. The Bank adopted the incremental borrowing rates that it would have to pay to borrow over the specified lease periods and with a similar security, for the funds necessary to obtain an asset of a similar value to the right-of-use asset. The Bank considered if it was in the market to source for funding with the specified tenor, what would be the interest cost. The Bank considered a previous borrowing that it had with (KFW long-term borrowing) with the specified period and adopted the same. The incremental borrowing rates are as below:

Lease Period	Borrowing Rate
1-3years	10%
4-7years	7%
8years and above	5%

28 (a) Fair value of financial instruments

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data. However, such areas as risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. The table below sets out the fair values and classification of financial instruments as at 31 December 2025, and analyses them in the fair value hierarchy into which each fair value measurement is categorized.

IFRS9 –Financial instruments not measured at fair value

At 31 December 2025	Level 1	Level 2	Level 3	Total fair value	Carrying value
Financial assets	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Amounts due from other banks	-	49,997,910	-	**49,997,910**	**49,997,910**
Investment securities	68,070,359	-	-	**68,070,359**	**67,731,263**
Loans and advances	-	-	39,215,357	**39,215,357**	**42,349,604**
	68,070,359	**49,997,910**	**39,215,357**	**157,283,626**	**160,078,777**
Financial liabilities					
Customer deposits	-	147,429,143	-	**147,429,143**	**147,429,143**
Other borrowing	-	66,880	-	**66,880**	**66,880**
	-	**147,496,023**	**-**	**147,496,023**	**147,496,023**

28(a) Fair value of financial instruments (Continued)

At 31 December 2024	Level 1	Level 2	Level 3	Total fair value	Carrying value
Financial assets	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Amounts due from other banks	-	32,402,513	-	**32,402,513**	**32,402,513**
Investment securities	60,930,811	-	-	**60,930,811**	**60,916,531**
Loans and advances	-	-	29,451,638	**29,451,638**	**30,372,575**
	60,930,811	**32,402,513**	**29,451,638**	**122,784,962**	**123,691,619**
Financial liabilities					
Customer deposits	-	123,313,635	-	**123,313,635**	**123,313,635**
Other borrowing	-	162,211	-	**162,211**	**199,895**
	-	**123,475,846**	**-**	**123,475,846**	**123,513,530**

Financial assets and liabilities of the Bank were carried at amortized cost for the year 2025. There were no transfers between levels in the year.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Bank's financial statements. These fair values were calculated for disclosure purposes only.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates. Where such information is not available, the Bank uses historical experience and other information used in its collective impairment models.

28 (b) IFRS9 –Financial instruments Assumptions

(i) Credit Loss Modelling

Expected credit losses (ECL) are a probability-weighted estimate of credit losses over the expected life of the financial instrument.

GTBank's measurement of ECL reflects the following criteria as required by IFRS 9:

Criteria	Description
ECL estimates are an unbiased and probability weighted amount	The Bank measures expected credit losses of a financial instrument in a way that it reflects an amount that is determined by evaluating a range of possible outcomes. Three ECL figures are therefore calculated for each account (moderate estimate, best-case estimate and worse case ECLs) and a probability-weighted to arrive at a single ECL impairment for each account. **Forward looking:** The starting point for the ECL computation is historical information; however, adjustments are made to modelling parameters to reflect current and forward-looking information. Each of the ECL parameters i.e. PD, LGD and EAD are calibrated to be point-in-time (PiT) and forward looking. The Forward-Looking Information (FLI) risk parameters reflects how changes in macroeconomic factors affects losses. The Bank leverages on the expertise of credible and reliable sources to obtain economic forecasts applicable to the frameworks. **Scenario Weighting:** When measuring expected credit losses, IFRS 9 requires that an entity shall measure the ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes/scenarios, (i.e., the weighted average of credit losses with the respective risks of a default occurring as the weights). Although the standard did not specify the minimum number of scenarios to be considered, the IASB expectation is that if relationship is not linear, one forward-looking scenario is not sufficient. The purpose is neither to estimate a worst-case scenario nor to estimate a best-case scenario, but the possibility that a credit loss occurs and the possibility that no credit loss occurs even if the most likely outcome is no credit loss. The Bank's ECL methodology considers weighted average of the multiple economic scenarios for the risk parameters (basically the forecasts macroeconomic variables) in arriving at impairment figure for a particular reporting period.
Discounting	The Bank considers the time value of money when estimating ECL. ECLs are discounted to the reporting date for each account and financial instrument.
Use of reasonable and supportable information	The Bank measures ECL of a financial instrument with available information at the reporting date about past events, current conditions and forecasts of future economic conditions.
Assessment of expected changes to exposures	The Bank ECL model has included the effects of contractual repayments. Expected drawdowns on committed facilities have also been considered in the ECL Model.

Consistent with regulatory and industry best practices, the Bank's ECL calculations are based on three components:

28(b) IFRS9 –Financial instruments Assumptions(continued)

- **Probability of Default (PD)**
  This is an estimate of the likelihood of default over a given time horizon. Either 12months of lifetime.
- **Exposure at Default (EAD)**
  This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdowns on committed facilities.
- **Loss Given Default (LGD)**
  This is an estimate of the loan arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD.

Measuring ECLs

ECLs are generally measured based on the risk of default over one of two different time horizons, depending on whether the credit risk of the borrower has increased significantly since the exposure was first recognized. The loss allowance for those exposures that have not increased significantly in credit risk (Stage 1 exposures) is based on 12-month ECLs. The allowance for those exposures that have suffered a significant increase in credit risk (Stage 2 and Stage 3 exposures) is based on lifetime ECLs.

For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognized within Provisions. The Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and the ECL provision. For this purpose, the Bank estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs.

12-month ECLs

Twelve-month ECLs are the portion of the lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months). Twelve-month ECLs are weighted by the probability of such a default occurring. [IFRS 9.A, B.5.5.43]

Lifetime ECLs

Lifetime ECLs are the losses that result from all possible default events over the expected life of the financial instrument. [IFRS 9.A]

Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Multiple ECL Scenarios

A measure of Expected Credit Loss (ECL) is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

This section discusses how the Bank has incorporated FLI into its ECL frameworks.

Adjusting ECL parameters for forward looking information

The standard noted that ECL should be based on reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. This implies that in arriving at point-in-time estimates of expected credit losses, it is recommended that a firm incorporates the impact of not only past and current events but also forecasts of future macro-economic conditions.

The Bank on a regular basis reviews the key macro-economic indicators and makes forecasts based on the historical trends observed in the country.

28(b) IFRS9 –Financial instruments Assumptions(continued)

Incorporating FLI into multiple economic scenarios

In addition to incorporating probability weighted outcomes into the ECL computation, the Bank is expected to incorporate FLI forecasts into each scenario (Base, Best and Adverse).

Based on the requirement of the standard, we have identified the various macroeconomic variables that will impact the Bank's IFRS 9 risk model and provided justification for adopting the forecasts (especially where internal estimates are applied)

The following are the various macroeconomic variables that will impact the Bank's IFRS 9 risk model:
- Inflation rate
- Interest rate
- GDP growth rate
- Unemployment rate
- Exchange rate

Sensitivity Analysis

- The Bank has performed sensitivity analysis of the macro-economic variables to the expected credit loss and disclosed only the Lending rate/Interest rate which is the most sensitive to the bank's performance.
- If the Lending rate had changed by +/-5% expected loss allowance would be impacted as follows:

Sensitivity Analysis		**2025**			2024	
	Expected loss allowance impact					
Frw'000	**Upside (20%)**	**Base (60%)**	**Downside (20%)**	Upside (20%)	Base (60%)	Downside (20%)
31-Dec						
Overdrafts	**17,841**	**19,823**	**20,814**	8,295	9,216	9,677
Treasury loans	**8,661**	**9,624**	**10,105**	17,512	19,458	20,431
Equipment loans	**3,604**	**4,004**	**4,205**	1,363	1,515	1,590
Consumer loans	**57,217**	**63,575**	**66,754**	36,359	40,399	42,419
Mortgage loans	**14,046**	**15,607**	**16,387**	9,010	10,011	10,512
Off-balance sheet exposures	**923**	**1,025**	**1,077**	1,419	1,577	1,656
Other financial assets	**2,271**	**2,523**	**2,649**	1,815	2,016	2,117
Total expected loss allowance	**104,563**	**116,181**	**121,991**	75,773	84,192	88,402

Model Adjustment

Assessment and calculation of ECL

The level of estimation uncertainty has increased in the last few years because of the economic disruption and consequential impact of the global pandemic and geopolitical challenges. This includes significant judgements relating to:

- The selection and weighting of macro-economic scenarios;
- The effect of Government and other support measures put in place to mitigate the negative economic impact.
- The uncertainty over the duration and severity of the effect of the pandemic as well as the timing and duration of the recovery.

28(b) IFRS9 –Financial instruments Assumptions (continued)

Impact on modelled ECL allowance

The Bank's model has been constructed and calibrated using historical trends and correlations as well as forward looking economic scenarios. There were no model changes relating to what was applied in 2025 and what has been used in 2024. The Bank's Management has maintained similar Management overlays over the two financial years.

Scenarios to be considered
This section discusses the various scenarios that the Bank shall incorporate Forward Looking Information (FLI) into, data source and justification for our forecast (especially where internal estimates are applied).

The section will discuss various scenarios that the bank shall incorporate FLI into, data source and justification for our forecasts (especially where internal estimates are applied)
Base Case Scenario: The Bank shall adopt the macroeconomic forecasts provided by credible and reliable sources as base case FLI.

Best and Adverse Scenario: The Bank shall rely on internal estimates of the macroeconomic variables as prepared by the Strategy desk of the Bank. The estimates were based on the historical review of the macro indicators in the last ten years, the minimum and the maximum rates were adopted for the respective variables. The estimates are based on management's judgement and historical experience, as the past reflects our expectation of the future.

Staging Criteria

In line with the accounting standard, the Bank adopts a multi factor approach in assessing changes in credit risk – quantitative (primary), qualitative (secondary) and back stop indicators. These factors are critical in allocating financial assets into stages.

GT Bank has considered the following in determining the staging of facilities:

1. Qualitative factors
   - The customer's risk rating
2. Quantitative factors
   - The facility's arrears status
   - Number of restructures, if any
   - Change in customer rating since origination
3. The indicators of Significant Increase in Credit Risk (SICR) are:
   - Is the facility more than 30 days past due?
   - Has there been a decline of two points or higher in rating since origination?

28(b) IFRS9 –Financial instruments Assumptions(continued)
Staging Criteria(continued)

The stage allocation criteria used in the frameworks are as follows:

I. If a facility has a rating of 1 or 2 (these are investment grade facilities) it is automatically in stage 1
II. If a facility is more than 90 days past due and its rating is greater than or equal to 8, i.e. it is credit impaired as per internal risk rating, it is automatically in stage 3. 90 days past due remains a rebuttable presumption in the staging criteria.
III. Having failed to meet criteria i and ii above, if a facility has been restructured due to financial constraints, it is categorized as stage 3. However, if the restructure is due to other factors other than financial constraints, management assessment and judgement will be required to determine the staging of the facility based on the reason for the restructure. (Management assesses only the restructures that have been done within the last two years, and for restructures that are due to financial constraints these will be categorized and maintained as stage 3 until they have shown satisfactory performance)
IV. Otherwise, if there has been an increase of 2 or more in the customer's rating, the facility is categorized as stage 2. After 6 months of satisfactory performance, the loan may be moved to stage 1.
V. A facility that has failed to meet criteria i to iv above and is less than 30 days past due is categorized as stage 1, otherwise the facility is categorized as stage 2. However, 30days past due remains a rebuttable presumption.
VI. Management experience and judgement as to a customer's cash flow projections will be required in the determination of rebutting of backstops and reasons for variation of contract terms in restructures.

a. The stage allocation criteria described above uses a mix of qualitative indicators, quantitative indicators and arrears count. The qualitative and quantitative indicators are encompassed in the internal risk rating, which has been used as one of the indicators of SICR**.**

Back stop indicators
A backstop is typically used to ensure that in the (unlikely) event that the primary (quantitative) indicators do not change and there is no trigger from the secondary (qualitative) indicators, an account that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 and stage 3 respectively except there is a reasonable and supportable evidence available at an undue cost to rebut the presumption.
30 days past due rebuttable assumption – Significant increase in credit risk
IFRS 9 sets out a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. This 30 days past due simplification permits the use of delinquency or past due status to identify a significant increase in credit risk.

In adherence to the standard, the Bank shall at every reporting period assess the loan portfolio individually for possible breach of the 30 days past due SICR criterion. Where there is a breach and the loan has not been transferred to stage 2, the Bank shall rebut the 30 days rebuttable presumption based on availability of supportable and reasonable information to justify that credit quality has not deteriorated significantly since initial recognition.

For portfolios with shared credit risk, the Bank shall assess the loans collectively for significant increase in credit risk. Where there is evidence of SICR within the portfolio, the Bank shall rebut the 30 days past due presumption based on available supportable evidence. However, at the next reporting date, if there is still evidence of SICR in the portfolio, the Bank shall transfer the entire portfolio to stage 2.

90 days past DUE rebuttable assumption – Default
The standard sets out a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due (DPD) unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Bank shall at every reporting period assess the loan portfolio individually for possible breach of the 90 days past due default criterion. Where there is a breach and the loan has not been transferred to stage 3, the Bank shall rebut the 90 days past due presumption based on availability of supportable and reasonable information to justify that credit is not impaired.

Staging Criteria

For portfolios with shared credit risk, the Bank shall assess the loans collectively for default. Where there is evidence of default within the portfolio, the Bank shall rebut the 90 days past due presumption based on available supportable evidence. However, at the next reporting date, if there is still evidence of default in the portfolio, the Bank shall transfer the entire portfolio to stage 3.

28(b) IFRS9 –Financial instruments Assumptions(continued)

Definition of default and credit-impaired assets

Loans and advances to customers, loan commitments and financial guarantees constitute assets under scope for this review

Quantitative criteria-When the borrower is more than 90 days past due on its contractual payments.

Qualitative criteria-The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- the borrower is in long-term forbearance
- the borrower is deceased
- the borrower is insolvent
- the borrower is in breach of financial covenant(s)
- an active market for that financial asset has disappeared because of financial difficulties
- concessions have been made by the lender relating to the borrower's financial difficulty
- it is becoming probable that the borrower will enter Bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses
- payment deferral
- extension of payment period

Debt instruments

For Debt instruments, below are considered as default when they occur;

Quantitative and qualitative criteria;

- When repayment of interest and principal are not done on time as per contractual schedules to the extent of 30 days delay.
- When repayments of interest and principal are not done on time as per contractual schedules and that such delays considered are not those caused by operational issues.
- When the government is downgraded to below rating "C" status by international rating agency such as Moody's, S & P, or Fitch
- When the Government is declared default/bankrupt by responsible agencies i.e. World Bank, IMF etc.

Due from banks and Cash and Balances with Central Bank

For Due from banks, below are considered as default when they occur

- When repayment of interest and principal are not done on time as per contractual schedules to the extent of 30 days delay
- When a counterparty is taken under management by Statutory Manager
- When a counterparty license has been revoked by the Central Bank
- When the counterparty is declared bankrupt by responsible bodies like Registration, Insolvency or court.

Bank's internal ratings scale and PD estimation process

Loans and advances to customers, loan commitments and financial guarantees

The Bank has its internal credit rating tools tailored in accordance with the BNR guidelines that reflect its assessment of the probability of default of individual counterparties. Customers are segmented into five rating classes. The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

28(b) IFRS9 –Financial instruments Assumptions(continued)

Bank rating	Description of the grade	Stage	PD Range		Number of days past due
1	Current	Stage 1	0.06%	2.81%	0
2	Current	Stage 1	0.38%	5.74%	30
3	Especially mentioned 1	Stage 2	1.23%	20.00%	31-60
4	Especially mentioned 2	Stage 2	3.82%	30.00%	61-90
5	Substandard, Doubtful, Loss	Stage 3	100.00%	100.00%	91 and above

Analysis of inputs to the ECL model under multiple economic scenarios

The following table shows a representative summary of the economic variables and asset prices that the Bank considers to be among the most important determinants of the Bank's expected credit loss.

Macroeconomic variable	Average	Maximum	Minimum
GDP Real Rate %	7.8	10.9	-3.4
Inflation Rate %	8.0	21.6	1.1
Lending Rate %	15.52	17.7	15.52

The Bank has performed sensitivity analysis of the macro-economic variables to the expected credit loss and disclosed only the Lending rate which is the most sensitive to the Bank's performance.

Expected Credit Loss Calculation

The guiding principle of IFRS 9 is that Expected Credit Loss (ECL) modelling should reflect the general pattern of deterioration in the credit quality of financial instruments over the life of the instruments. In estimating the expected credit quality of the instrument, the Bank considers, reasonable and supportable information available without undue cost or effort at the reporting date, past events, current conditions and forecasts of future economic conditions.
In line with the standard, the Bank adopts the "three stage" model (General approach) for impairment based on changes in credit quality since initial recognition, these are:

1. **Stage 1** covers financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month Expected Credit Losses ('ECL') are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date.

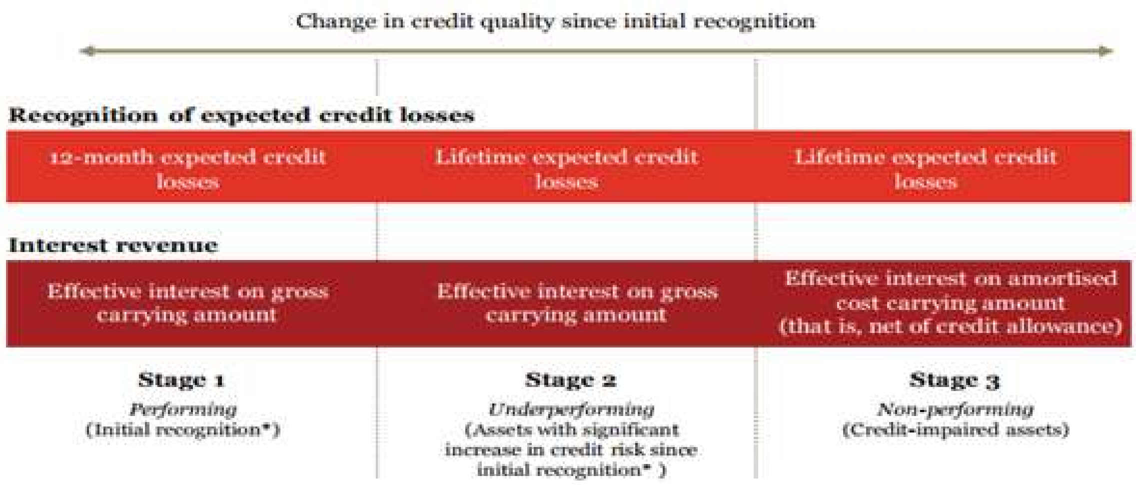
2. **Stage 2** covers financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

3. **Stage 3** covers financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognized and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

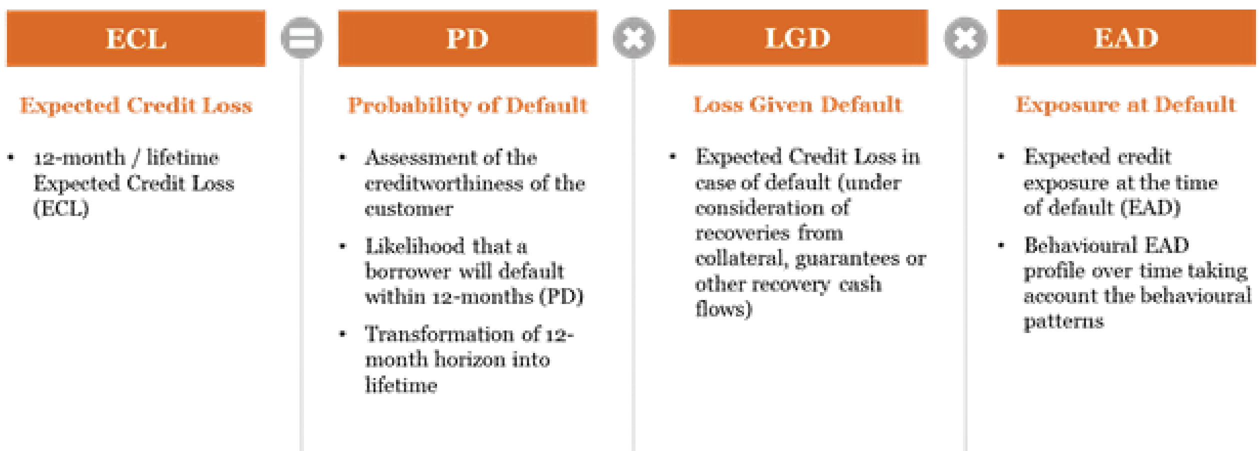
28(b) IFRS9 –Financial instruments Assumptions(continued)

The diagram below provides an overview of the measurement of ECL under IFRS 9.

Figure 1: IFRS 9 Expected Credit Loss Model



The Expected Credit Loss (ECL) is calculated as shown in the illustration below:



Specific ECL methodology topics
This section reviews the key elements of the Bank's IFRS 9 framework for the purpose of ECL modelling methodology.

Granularity
The stage allocation and ECL calculations is performed at the most granular – i.e. instrument – level. The estimation of the parameters relies on data aggregation for the purposes of statistical significance. For the purpose of ECL calculation, the Bank estimates risk parameters such as Exposure at Default (EAD) and Loss Given Default (LGD) for each obligor based on entity specific information.

Forward looking
The starting point for the ECL computation is historical information; however, adjustments are made to modelling parameters to reflect current and forward-looking information. Each of the ECL parameters i.e. PD, LGD and EAD are calibrated to be point-in-time (PiT) and forward looking. The Forward-Looking Information (FLI) risk parameters reflects how changes in macroeconomic factors affects losses. The Bank leverages on the expertise of credible and reliable sources to obtain economic forecasts applicable to the frameworks.

Scenario weighting
When measuring expected credit losses, IFRS 9 requires that an entity shall measure the ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes/scenarios, (i.e. the weighted average of credit losses with the respective risks of a default occurring as the weights).

28(b) IFRS9 –Financial instruments Assumptions(continued)

Although the standard did not specify the minimum number of scenarios to be considered, the IASB expectation is that if relationship is not linear, one forward-looking scenario is not sufficient. The purpose is neither to estimate a worst-case scenario nor to estimate a best-case scenario, but the possibility that a credit loss occurs and the possibility that no credit loss occurs even if the most likely outcome is no credit loss. The Bank's ECL methodology considers weighted average of the multiple economic scenarios for the risk parameters (basically the forecasts macroeconomic variables) in arriving at impairment figure for a particular reporting period.

12-month versus Lifetime PDs

IFRS 9 requires the use of 12-month PDs for Stage 1 ECL calculations and lifetime PDs for Stage 2 and 3 ECL calculations.
Lifetime PD is computed for all financial instruments that have had a significant increase in credit risk especially stage 2 and stage 3 instruments.
There are different product-specific definitions of "lifetime" depending on the type of instrument and the remaining maturity:
Lifetime of non-revolving products: adjustment of contractual lifetime with customer-side and/or bank-side early termination clauses.
Lifetime of revolving products: contractual lifetime does not apply to certain revolving products such as credit cards and overdrafts, as these instruments do not have a contractual termination.
Term products: the expected life should be used in the calculation rather than the contractual term with the contractual term being the maximum.

29 (i) Reporting entity

Guaranty Trust 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's registered office is at:
Guaranty Trust Bank (Rwanda) plc, Head Office
KN 2 Ave, 1370 Nyarugenge
Kigali, Rwanda

The principal activity of the Bank is to offer commercial banking services.

Its parent and ultimate holding company is Guaranty Trust Holding Company plc (GTCO Plc)

(ii) Basis of accounting

The financial statements have been prepared on a historical cost and accruals basis.

(iii) Statement of compliance

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

(iv) Presentation of financial statements

The Bank presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 21 (iii).

(v) Functional and presentation currency

These financial statements are presented in Rwandan Francs (Frw) which is the Bank's functional currency. All values are rounded to the nearest thousand (Frw'000) except when otherwise indicated.

30 Changes in Accounting policies and disclosures

(i) Use of estimates and judgments

In preparing these financial statements, the Directors have made judgments, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

31 Material accounting policies

The Bank adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). The amendments require disclosure of material rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies.

a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' or 'interest expense' in the statement of comprehensive income using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest that was used to discount the future cash flows for the purpose of measuring the impairment loss.

b) Fees and commission income

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

c) Property and equipment

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed every four years by the external property valuer to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset if material. All other property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to profit or loss. On the derecognition of the asset, the revaluation surplus is transferred from other reserves' to `retained earnings. The Bank evaluates the usefulness of assets and decisions are made as per the policy to dispose or remove the asset from the statement of financial position if no future benefits are envisaged from the asset.

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

Buildings	: 5%
Fixtures, fittings and equipment	: 12.5%
Motor vehicles	: 25%
Equipment	: 33.3%

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

The Bank assesses at each reporting date whether there is any indication that any item of property and equipment is impaired. If any such indication exists, the Bank estimates the recoverable amount of the relevant assets. An impairment loss is 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.

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

31 Material accounting policies (continued)

d) Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (ten years) using straight line methodology.

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

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

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

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

e) Income tax

Current income tax

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 this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

31 Material accounting policies (continued)

f) Leases

1. The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Bank as lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the bank recognizes a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the bank is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the bank's incremental borrowing rate is used. For leases that contain non-lease components, the bank allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

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

Subsequently the lease liability is measured at amortized cost, subject to re-measurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

All right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any re-measurement of the lease liabilities. Depreciation is calculated using the straight-line method to write-down the cost of each asset to its residual value over its estimated useful life. If the ownership of the underlying asset is expected to pass to the bank at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset if of low value, the total lease payments are recognized in profit or loss on a straight-line basis over the lease period.

g) Cash and cash equivalents

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

h) Employee benefits

1. Retirement benefit obligations

The Bank and all its employees contribute to the Social Security Fund of Rwanda, which is a defined contribution scheme. A defined contribution plan is a retirement benefit plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Bank's contributions to the defined contribution schemes are charged to the statement of comprehensive income in the year in which they fall due.

2. Other entitlements

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

31 Material accounting policies (continued)

i) Financial Liabilities

Financial instruments – initial recognition

Financial liabilities, with the exception of balances due to customers, are initially recognized on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. The Bank recognizes balances due to customers when funds are transferred to the Bank.

Initial measurement of financial Liabilities
The classification of financial liabilities at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognizes the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized

All the Bank's financial liabilities are measured at amortized cost.

Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

j) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Mandatorily redeemable preference shares are classified as liabilities.

k) Dividends payable

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

l) Fiduciary activities

The Bank commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Bank. The Bank did not carry out any fiduciary activities during the year 2025 (2024: Nil).

m) Offsetting financial assets and financial liabilities

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

31 Material accounting policies (continued)

n) Foreign currency translation

Transactions and balances

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

o) Determination of fair value

For financial assets traded in active markets, the determination of fair values is based on quoted market prices or dealer price quotations. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions. For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position. The Bank uses widely recognized valuation models for determining fair values of its investment securities.

The Bank applies IFRS 9 and classifies its financial assets in accordance with this standard. Financial assets are measured at initial recognition at fair value and are classified and subsequently measured at fair value through profit or loss (FVTPL) and amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

p) Financial assets

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date, which is the date on which the Bank commits to purchase or sell the asset. Financial assets are initially recognized at fair value, plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bank has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and financial assets held at amortized cost are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is included in the statement of comprehensive income in the period in which they arise. Changes in the fair value of monetary and non-monetary securities classified as held-for-trading are recognized in other comprehensive income. When securities classified as held-for-trading are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as ''gains and losses from investment securities''.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets the following conditions;

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

31 Material accounting policies (Continued)

After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

(ii) Financial assets and liabilities

All other financial assets not classified as measured at amortized cost or FVTOCI as discussed above are measured at FVTPL. In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

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

Other factors considered in the determination of the business model include;

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Bank's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized. The Bank may decide to sell financial instruments held under the business model category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met.

(i) When the Bank sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Bank considers sale of financial assets that may occur in assets held with the sole objective of collecting cashflows to be infrequent if the sale is one-off during the financial year and/or occurs at most once during the quarter or at most three (3) times within the financial year.

(ii) Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

(iii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

(iv) When these sales are made close to the maturity of the financial assets and the proceeds from the sales approximates the collection of the remaining contractual cash flows. A sale is considered to be close to maturity if the financial assets have a tenor to maturity of not more than one (1) year and/or the difference between the remaining contractual cash flows expected from the financial asset does not exceed the cash flows from the sales by ten (10) per cent.

31 Material accounting policies (continued)

Business model assessment (Continued)

Other reasons: The following reasons outlined below may constitute 'Other Reasons' that may necessitate selling financial assets from the portfolio held with the sole objective of collecting cashflows category that will not constitute a change in business model.

- Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
- Selling the financial asset to manage credit concentration risk (infrequent).
- Selling the financial assets as a result of changes in tax laws or due to a regulatory requirement e.g., comply with liquidity requirements (infrequent).
- Other situations also depend upon the facts and circumstances which need to be judged by the management

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

Impairment of financial assets

The Bank assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

(a) significant financial difficulty of the issuer or obligor;

(b) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

(c) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

(d) the disappearance of an active market for that financial asset because of financial difficulties; or

(e) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio;

(f) National or local economic conditions that correlate with defaults on the assets in the portfolio.

Assets Carried at amortized cost

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial instrument's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit and loss account. If a loan or held-to-maturity asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

31 Material accounting policies (Continued)

Impairment of financial assets(continued)
Assets Carried at amortized cost (continued)

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets and historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (e.g., changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to customers are classified in loan impairment charges whilst impairment charges relating to investment securities are classified in 'Net gains/ (losses) on investment securities. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the statement of profit or loss and other comprehensive income.

Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the renegotiated terms apply in determining whether the asset is considered to be past due.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statement of comprehensive income.

32 Subsequent events

The Directors are not aware of any events after the reporting date that require disclosure in or adjustments to the financial statements as at the date of this report (2024: None).

OTHER STATUTORY DISCLOSURES

Other Statutory Disclosures

Item	2025 Frw'000	2024 Frw'000
1. Credit Risk		
a. Non-performing loans indicators		
a i. Non-Performing Loans (NPL)	200,248	459,410
a ii. NPL Ratio	0.34%	0.94%
b. Off-balance sheet items	16,243,194	17,821,923
c. Total Gross Credit Risk Exposures	42,992,529	30,961,882
d. Average Gross Credit Exposures		
d i. Loans and Non-derivative Off-balance Sheet Exposures	59,235,724	48,783,805
d ii. Debt Securities	70,977,881	64,145,446
d iii. OTC derivatives	-	-
e. Restructured Loans		
e i. Number of borrowers	8	14
e ii. Amount outstanding	656,234	1,412,619
e iii. Provision thereon (regulatory)	37,065	20,049
e iv. Restructured loans as % of gross loans	1.5%	4.6%

	2025 Frw'000	2024 Frw'000
f. Regional or Geographic Distribution of Exposures		
f i. Kigali City	40,270,818	29,398,572
f ii. Northern Region	856,506	428,265
f iii. Southern Region	693,267	426,855
f iv. Western Region	351,241	449,977
f v. Eastern Region	820,697	258,213
g. Sector Distribution of Exposures		
g i. Government	-	-
g ii. Financial	-	-
g iii. Manufacturing	4,007,463	3,011,544
g iv. Infrastructure and Construction	207,826	927,657
g v. Services and Commerce	7,779,128	8,192,152
g vi. Others	30,998,113	18,830,528
h. Related Parties		
h i. Loans to Directors, Shareholders and associates	-	-
h ii. Loans to Employees	951,683	575,437
2. Capital Strength		
a. Core Capital (Tier 1)	38,567,143	34,976,480
b. Supplementary Capital (Tier 2)	605,110	522,231
c. Total Capital	39,172,253	35,498,711
d. Total Risk Weighted Assets	101,922,373	80,485,043
e. Tier 1 Ratio	37.84%	43.46%
f. Total Capital/Total Risk Weighted Assets Ratio	38.43%	44.11%
g. Tier 2 Ratio	0.59%	0.65%
h. Leverage Ratio	18.01%	18.91%

Other statutory disclosures (Continued)

3. Liquidity			
a. Liquidity Coverage Ratio		**372.2%**	**1060.0%**
a i. Liquid Assets Available (LCR***)		89,752,694	93,094,515
a ii. Short Term Liabilities (LCR***)		24,111,259	8,782,323
a iii. Total Deposit Liabilities		147,429,143	123,313,635
b. Net Stable Fund Ratio (NSFR)		**141.9%**	**136.6%**
b i. Available Stable Funding		134,409,508	115,175,445
b ii. Required Stable Funding		94,728,204	84,329,376
4. Market Risk			
a. Interest Rate Risk		-	-
b. Equity Position Risk		-	-
c. Foreign Exchange Risk		10,235	20,409
		2025	**2024**
5. Operational risk		**Frw'000**	**Frw'000**
a. Frauds	Fraud Type	Amount	Amount
Unauthorized transfer to oneself (29 frauds)	E-Theft	6,760	32,257
		2025	**2024**
		Frw'000	**Frw'000**
1. Country Risk			
a. Credit Exposures Abroad		-	-
b. Other Assets Held Abroad		55,660,309	26,461,130
c. Liabilities to Abroad		-	-
7. Management and Board composition		**Number**	**Number**
a. Number of Board Members		5	5
b. Number of Non-independent Directors		2	2
c. Number of Independent Directors		3	3
d. Number of Female Directors		2	2
e. Number of Male Directors		3	3
f. Number of Senior Managers		11	10
g. Number of Female Senior Managers		2	3
h. Number of Male Senior Managers		9	7

GTCO

Guaranty Trust Bank (Rwanda) plc