BK GROUP PLC

ANNUAL REPORT 2024

BEYOND NUMBERS

Impact, Innovation, and Sustainable Growth

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About This Report

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Welcome to BK Group Plc's 2024 Integrated Annual Report — your window into how we're creating value for shareholders, customers, employees, and the communities we serve.

This report goes beyond the numbers. It's a clear narrative of where we are, where we are going, and how we are getting there—strategically, financially, and operationally.

Reporting Scope & period

This Integrated Annual Report covers the financial year from 1 January 2024 to 31 December 2024, and includes significant events up to the date of approval by the Board. The report focuses on BK Group Plc (the "Group"), a non-operating holding company listed on the Rwanda Stock Exchange (RSE) and cross-listed on the Nairobi Securities Exchange (NSE). It provides insight into:

- Our strategy and execution progress
- Group and subsidiary performance highlights
- Corporate governance, risk, and sustainability practices
- Outlook and material matters shaping our future growth

The disclosures are based on the consolidated performance of the Group, inclusive of its five subsidiaries:

Bank of Kigali Plc, BK General Insurance, BK TecHouse, BK Capital, and BK Foundation.

"

A comprehensive look at how we are creating value for our shareholders, customers, employees, and communities. This report goes beyond financials, offering a clear narrative of our strategy, progress, and future direction. Covering the period from January 1 to December 31, 2024, it highlights our performance, governance practices, and outlook for sustainable growth.

How the Report is Structured

This report is prepared in alignment with the following globally recognized standards and regulatory frameworks:

The International Integrated Reporting Framework (IIRC)

To ensure a clear link between strategy, performance, governance, and future outlook

The International Financial Reporting Standards (IFRS)

For consistency and comparability in financial disclosures

Regulatory and listing requirements issued

By the National Bank of Rwanda (NBR), Capital Market Authority of Rwanda (CMA-Rwanda), Capital Markets Authority of Kenya (CMA-Kenya), and respective stock exchanges

Through adherence to these frameworks, we reaffirm our commitment to responsible corporate citizenship and transparent stakeholder engagement.

Materiality and Value Creation

This report is guided by the materiality principle, focusing on those issues that substantively influence the Group's ability to create value over time. The matters discussed herein reflect management's strategic focus areas, stakeholder priorities, market dynamics, and regulatory considerations. We aim to provide a holistic view of the Group's performance and its resilience in an increasingly complex operating environment.

The reporting boundary for non-financial matters extends beyond statutory requirements to include emerging areas of relevance such as sustainability, governance practices, and stakeholder relations.

Financial and Non-Financial Reporting

Unless otherwise indicated, all data refers to the consolidated Group. Key performance indicators are disclosed to help investors and stakeholders understand both the financial results and the underlying drivers of performance, including environmental, social, and governance (ESG) metrics.

We continue to expand disclosure on non-financial issues—including customer experience, digitization, sustainability, and corporate governance—as we evolve toward integrated thinking and decision-making.

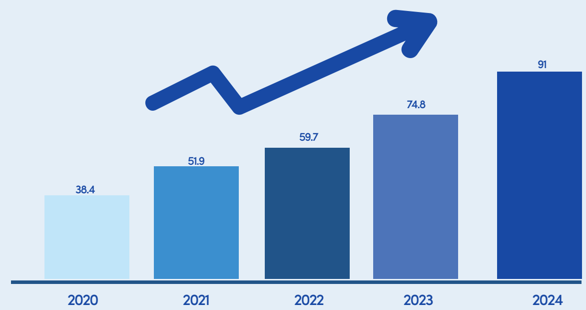
Key Highlights

Net Profit

91 FRW Billion

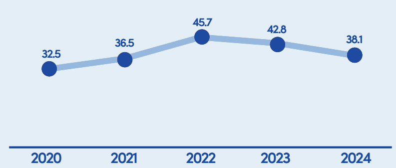
21.7% from FY 2023

Net Profit (5-year trend) - FRW Billion



Financial Ratios & Profitability

Cost-to-Income Ratio (%)

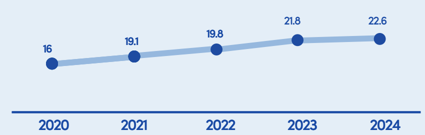


Earnings Per Share

97.8 FRW

From 80.6 FY2023

Return on Equity (%)



NPL Ratio

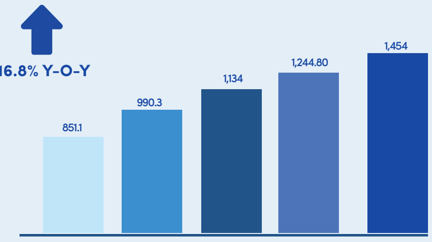
3.20%

From 4.5 % FY2023

Growth in Key Balance Sheet Items

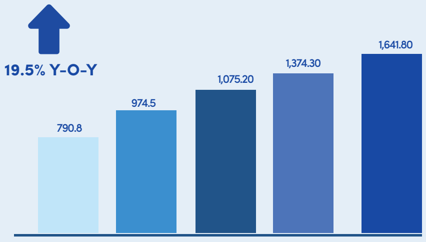
Net Loans & Advances (in FRW Billion)

16.8% Y-O-Y



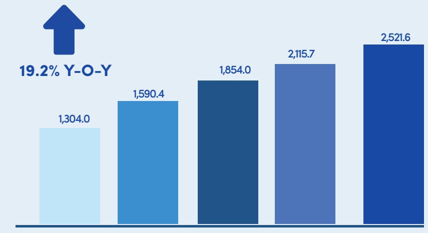
Customer Deposits (in FRW Billion)

19.5% Y-O-Y



Total Assets (in FRW Billion)

19.2% Y-O-Y



Operational Reach & Scale

1,715 Employees

527,249 Retail Banking Customers

208,590 Corporate Banking Customers

22,900 Insurance Customers

28.6% Y-O-Y

Digital Footprint

4.5 Million

TecHouse Registered Digital Users

3.3 Million Farmers

On Our AgriTech platforms

76 % Y-O-Y

Handover Ceremony - BK Group C.E.O

Our Corporate Profile

Our Corporate Profile

Who Are We &Timeline

Beyond Numbers: Impact, Innovation, and Sustainable Growth

At BK Group Plc, we believe financial success goes beyond numbers. It is about uplifting lives, empowering businesses, and pioneering innovations that drive sustainable growth. As Rwanda's leading financial services provider, we are committed to creating real-world impact, driving cutting-edge innovation, and championing inclusive, long-term progress while providing top financial returns to our shareholders.

For nearly six decades, BK Group has been a pillar of financial stability and progress. What started in 1966 as a state-owned commercial bank has transformed into a dynamic, publicly traded financial powerhouse.

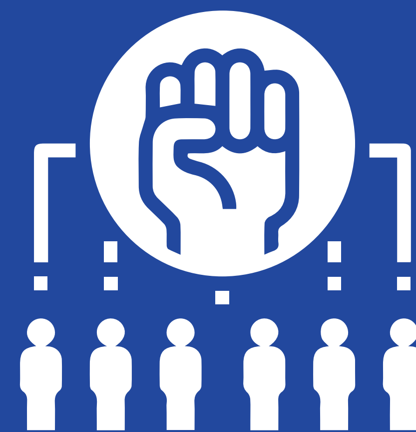
Our operations now span retail and corporate banking, insurance, investment banking, technology solutions, and social impact initiatives. Listed on the Rwanda Stock Exchange (RSE) in 2011 and cross-listed on the Nairobi Stock Exchange (NSE) in 2018, BK Group has consistently set benchmarks for financial excellence, governance, and customer-centric innovation.

As we present our 2024 Annual Report under the theme '**Beyond Numbers: Impact, Innovation, and Sustainable Growth,**' we reaffirm our commitment to delivering strong financial performance while creating long-term value for our customers, shareholders, employees, and communities.

An Integrated Financial Ecosystem: Our Subsidiaries

BK Group operates through five key subsidiaries, forming a connected ecosystem of services designed to empower individuals, businesses, and communities through accessible and innovative financial solutions.

While each subsidiary plays a distinct role in our mission to drive economic and social progress, they also work together to simplify financial journeys, enhance digital access, and create lasting impact:



"At BK Group, financial success goes beyond numbers. It's about uplifting lives, empowering businesses, and pioneering innovations for sustainable growth. From our origins in 1966 as a state-owned bank to becoming a publicly traded powerhouse, we remain committed to creating real-world impact, driving innovation, delivering top financial returns to shareholders, and championing long-term progress for Rwanda and beyond."

BK GROUP PLC

Bank of Kigali Plc: Rwanda's largest commercial bank, Bank of Kigali serves individuals, SMEs, corporations, and non-profits with a wide range of financial products, including loans, mortgages, and vehicle financing. In 2023, it expanded into agribusiness to drive agricultural growth. Committed to innovation and digitization, the bank continues to enhance customer experience and efficiency.

BK TecHouse: Founded in 2016, BK TecHouse is BK Group's tech subsidiary, driving digital transformation in education, security, and fintech. It offers smart solutions like home security, cashless payments, and enterprise security. Committed to innovation and digital inclusion, it plays a key role in Rwanda's tech growth.

BK General Insurance: Founded in 2016, BK General Insurance provides non-life coverage, including motor, transport, engineering, and personal accident insurance. It safeguards businesses and individuals against risks, promoting safety and resilience in Rwanda.

BK Foundation: Established in 2023 as BK Group's philanthropic arm, BK Foundation invests in education, innovation, and climate initiatives. Through grants and partnerships, it promotes financial literacy, environmental conservation, and educational development, driving lasting social impact.

BK Capital: Established in 2012, BK Capital offers investment and advisory services, including wealth management, brokerage, and corporate finance. With regional and global networks, it connects clients to diverse investment opportunities and fosters Rwanda's financial growth.

Together, these subsidiaries form an integrated financial ecosystem that not only drives profitability but also supports Rwanda's long-term development goals. We are more than a financial institution;

we are an engine of growth, inclusion, and transformation.

1966

BanK Of Kigali established through a 50/50 JV between the government of Rwanda and Belgolaise

2007

The Rwandan government buys out Belgolaise's stake in BK

2010

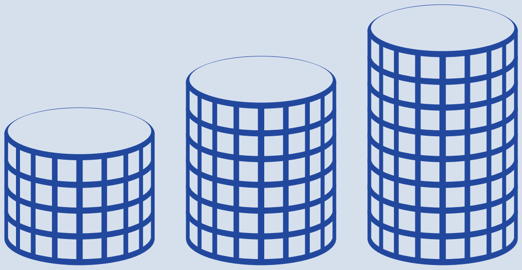
Bank of Kigali receives an A+ credit rating from GCR

2011

Bank of Kigali officially listed on the RSE in an IPO worth USD 62.5million, and a 45% stake in BK is floated in the IPO

2012

BK establishes
BK Securities and BK Nominees



2015

BK establishes BK Registrars

2016

Establishes BK General Insurance and BK TecHouse

2017

BK Group Plc is created, increasing its authorized share capital by FRw 3.5 billion

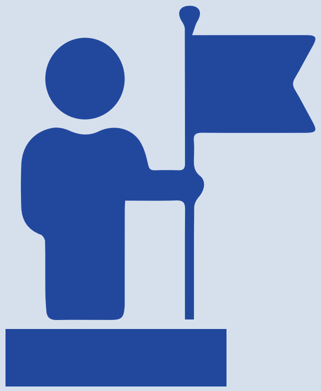
2018

BK Nominees and BK Securities are consolidated under -BK Capital. BK Group cross lists on the NSE

- BK raises FRw 60 billion via rights issue and rump offer

2023

- BK Group launches BK Foundation, the Group's dedicated philanthropic arm.
- Bank of Kigali launches two agriculture finance products (coffee working capital and agriculture inventory financing)



What Drives Us

Our Vision

Transform the lives of our stakeholders by offering state-of-the-art, customer-centric financial services.

Our Mission

Delight our customers via deep knowledge of our region, cultivating engaged talent, and ground-breaking innovation.

Our values: The Ubudasa DRIVES

Devoted to nurturing our people

Redefining the status quo

Inspired by our customers

Viewing success through the lens of the organization

Empowered and responsible for our role in our shared purpose

DRIVE: The Heart of BK Group's Culture

At BK Group, our success is powered by a culture that goes beyond numbers, shaping an organization that is agile, customer-centric, and purpose-driven. At the core of this culture lies our DRIVE value; a set of guiding principles that fuel our growth, inspire innovation, and foster a workplace where talent thrives.

Each letter in **DRIVE** embodies a fundamental belief that defines who we are and how we operate:

- **D** – Devoted to nurturing our people: Our people are our greatest asset, and we are devoted to creating an environment where talent thrives. We invest in our people's growth, creating an environment where talent thrives. By supporting continuous learning, we empower our team to reach their full potential and drive the company's success.
- **R** – Redefine the Status Quo: innovation is at the core of what we do. We challenge norms, embrace change, and pioneer solutions that shape the future of financial services.
- **I** – Inspired by Customers: Our customers are at the heart of everything we do. We listen to their needs, adapt our solutions, and co-create solutions that enhance their lives. By leveraging data-driven insights and fintech advancements, we create seamless, intuitive, and impactful financial experiences.
- **V** – Viewing success through the lens of the organization: Collaboration is our strength. Collaboration fuels our success, and teamwork drives our ability to create meaningful change. Across our subsidiaries, we work as one BK Group, breaking silos and fostering a culture of unity that amplifies our collective impact.
- **E** – Empowered and responsible for our role in our shared purpose: We lead with ownership and integrity. We trust our people to take initiative, make bold decisions, and deliver real results. This culture of responsibility ensures that we move forward with confidence, agility, and a commitment to excellence.

At BK Group, DRIVE is more than a set of value; it is a mindset, a philosophy, and a way of doing business. It is the force behind our impact, innovation, and sustainable growth, ensuring that we don't just meet expectations but exceed them. As we move forward, our DRIVE culture will continue to propel us beyond numbers, ensuring that our success is measured not just in figures, but in the lives we transform.

"DRIVE:

Where innovation, collaboration, and purpose fuel our growth and transform lives."

Our Value Creation Business Model

We operate with a clear commitment to deploying our capital in ways that generate both financial returns and broader social impact. Our subsidiaries; ranging from banking, insurance, and investment services to cutting-edge technology solutions and philanthropy, work synergistically to address the unique needs of our clients and communities.

Strategic Capital Allocation

Capital is deployed in several key areas:

Customer-Centric Innovation: A large portion of our capital is invested in innovation and technology, ensuring that we remain at the forefront of digital transformation in the financial sector. By creating digital solutions and platforms that enhance accessibility and efficiency, we empower individuals and businesses to thrive in a fast-evolving economy.

Sustainable Impact: Through our philanthropic arm, the BK Foundation, we make strategic investments that drive positive social outcomes, such as environmental conservation, education, and financial literacy. We view these investments as critical to the long-term prosperity of the communities we serve.

Operational Excellence: We continually invest in improving our operational capabilities, enhancing both efficiency and customer service. By optimizing our core banking and insurance operations, we maximize returns for our stakeholders and contribute to Rwanda's broader economic growth.

Diversification for Resilience: Diversifying our portfolio through ventures like BK TecHouse and BK Capital allows us to mitigate risk and tap into new growth avenues, ensuring long-term financial sustainability. This strategic approach enables us to adapt to market changes while maintaining our position as a leading financial institution in Rwanda.

By deploying capital across these critical areas, BK Group ensures that each business line and investment is aligned with our vision of creating sustainable value, both for today and for the future.

As we move forward with our strategy of innovation, sustainability, and growth, we must consider the broader context in which we operate. Our market and operating environment are shaped by a variety of macro-economic, socio-political, and industry factors. Understanding these elements allows us to adjust our approach and remain resilient in an ever-changing landscape.

Customer-Centric Innovation:

Investing in technology to enhance accessibility and efficiency, empowering individuals and businesses to thrive in a digital economy.

Our Market and Operating Context

Macro-Economic and Socio-Political Environment

The economic environment in Rwanda continues to show resilience, supported by strong growth in sectors such as industry, agriculture, and service. Rwanda's strategic position as a hub for East Africa, combined with a stable political climate, makes it an attractive investment destination. The government's commitment to infrastructure development, financial inclusion, and a tech-driven economy aligns with BK Group's strategy of supporting economic growth through accessible, and innovative financial solutions.

However, challenges such as global economic uncertainty, fluctuating commodity prices, and the effects of climate change remain.

In 2024, Rwanda's economy grew by 8.9%, driven by strong performance across all sectors, thanks to favorable macroeconomic policies and government investments.

Headline inflation decreased to an annual average of 4.8% from 14.0% recorded in 2023 - driven by good domestic agriculture performance, ease in key international commodity prices, and supported by past monetary policy decisions.The socio-political landscape remains stable, with the government focused on ensuring peace and fostering an enabling environment for business growth. This environment supports BK Group's business model, which is grounded in a commitment to Rwanda's sustainable development goals.

Industry Trends

As the financial services industry evolves, we continue to adapt and embrace emerging trends that impact both the sector and our business.

Digital transformation is at the forefront, as customers increasingly demand more accessible, seamless, and secure financial experiences. The rise of mobile banking, digital wallets, and fintech solutions is reshaping the way financial institutions operate.

Sustainability is also becoming a critical focus across industries, with companies expected to align their operations with environmental, social, and governance goals.

Regulatory Changes

In 2024, Rwanda's regulatory environment advanced significantly with key reforms to strengthen financial system stability, consumer protection, and market integrity. The National Bank of Rwanda (NBR) revised the AML/CFT Law and updated regulations on credit classification, insurance risk-based capital, corporate governance, and fintech innovation. New sustainability disclosure guidelines and IFRS 17 guidelines were also introduced.

BK Group remains committed to complying with these evolving regulations, including strengthened anti-money laundering frameworks, enhanced cybersecurity standards, climate risk reporting, SME digital support initiatives, and sustainability-aligned disclosure obligations, leveraging them to drive innovation, resilience, and inclusive financial growth.

GDP

8.9% GDP growth in 2024 driven by government investments and favorable macroeconomic policies despite global headwinds.

Our Strategy

Our Strategy: Beyond Numbers—Impact, Innovation, & Sustainable Growth

At BK Group, our strategy is anchored in the belief that true financial success is about more than just numbers. It's about creating tangible impact empowering individuals, communities, and businesses to grow sustainably. As Rwanda's leading financial services provider, we remain committed to driving innovation, supporting economic progress, and delivering value to all our stakeholders.

In 2024, we advanced this mission by building on the foundation laid in 2023 making strong progress in digital transformation, financial inclusion, and sustainability. We also cascaded our group strategy across all subsidiaries, reinforcing internal alignment and strengthening our contribution to Rwanda's Vision 2050 and the National Strategy for Transformation (NST2).

In a rapidly evolving landscape, we continue to embrace change, leverage technology, and put customers at the heart of everything we do. Our growth is tied to the success of those we serve, which is why our strategy focuses on inclusive impact fostering economic development, expanding access to finance, and promoting long-term sustainability.

Through our diverse services from banking and insurance to investment advisory and tech we aim to be a catalyst for Rwanda's progress. By innovating for the future and enhancing customer experiences, we are building a strong, sustainable ecosystem that supports economic and social development across the region.

1. Fostering an Innovative and Empowered Workforce

We invest in attracting, developing, and retaining top talent, cultivating a culture where innovation and learning are core.

Impact: Launched Hackathon Earth, an innovation competition platform designed to foster creative solutions set to be rolled out across all Group subsidiaries.

- Implemented group-wide employee engagement surveys to gather insights and strengthen organizational culture.
- Introduced IgaHub, a comprehensive online learning platform to support continuous learning and development across the Group.
- Achieved an improvement in the employee engagement score, reaching [Insert %], reflecting growing alignment and satisfaction across teams.

2. Delivering Customer-Centric Solutions

By combining data-driven insights with a performance-focused sales approach, we continued to strengthen both customer experience and revenue growth across the Group..

Impact: Leveraged advanced analytics to deepen customer understanding and satisfaction, with practical use cases implemented across subsidiaries.

- Trained sales teams on data-driven engagement strategies, enabling more effective cross-selling and personalized service delivery.
- Attained a Net Promoter Score (NPS) of 68, indicating improved customer loyalty and advocacy.

3. Streamlining Operations for Greater Efficiency

We focus on process optimization and automation to reduce costs, enhance speed, and deliver superior service.

Impact: Introduced Group-wide ERP and automation tools, cutting operational time by 40%.

4. Building a Seamless Financial Ecosystem

We continue integrating our services across banking, insurance, investment, and technology, offering a one-stop financial solution for our customers.

Impact: Rolled out the Finteco platform, unifying our offerings into a single digital ecosystem for greater convenience.

5. Promoting Financial Inclusion and Sustainability

We are committed to making financial services more accessible and driving inclusive growth.

Impact: Developed tailored products for underserved segments such as microloans and green finance drawing on insights from Techouse, the Bank, and Insurance arms.

- Launched ecosystem initiatives targeting key sectors, including agriculture and education through the Urubuto Parent Loan.

At BK Group, our business model is designed to create long-term value for our stakeholders; customers, employees, shareholders, and the communities we serve. Central to our model is the strategic deployment of capital across our diverse subsidiaries and business lines, ensuring that every investment contributes to the sustainable growth of both the Group and Rwanda's economy.

The group has outlined five cultural ambitions that serve as guiding principles for its operations:

1

We nurture, respect, and support our people to become a talent factory and the employer of choice in the financial sector.

2

We ambitiously challenge the status quo by continuously learning and experimenting to improve ourselves, what we offer, and how we operate.

3

We are passionate about customer experience and place customers at the heart of everything we do.

4

We are a united team that views success through the lens of the organization and not the individual.

5

We are accountable for our role in our shared purpose and courageous when embracing challenging tasks.

Subsidiary Strategies

Each subsidiary played a critical role in advancing the group's strategy:

Bank of Kigali

- Expanded digital financial inclusion closing the year with close to 82,000 internet banking signups .
- Grew total loans portfolio by 16.8% to FRW 1,453 Billion
- Strengthened SME financing, growing the portfolio to Frw 241.09 Billion to 2,200+ SMEs.

BK Capital

- Launched Tekana Personal Pension Scheme which is a retirement savings plan designed to provide individuals with a flexible and accessible way to secure their financial future. It offers benefits such as flexible contributions, investment growth, tax relief, portability, retirement options, expert guidance.
- Increased assets under management by 70%, from Frw 42.8 Billion in 2023 to Frw 72.6 BN .
- Rolled out digital platform for clients with 376 registered users at the end of the year
- Won the award for Best Securities House in Rwanda from the Euromoney Securities Houses Awards 2024.

BK General Insurance

- Grew gross written premiums from Frw14.7Bn in 2023 to 16.0 Billion
- Maintained low claims ratio of 33% compared to 45% for the rest of the industry, with +49% growth in underwriting profit.
- Continued to deliver to deliver value to shareholders with a a return of equity of 25%

BK Techouse

- Continue to drive digital inclusion in Rwanda with a 15% increase in total registered users across all platforms to ~3.7 unique customers. A significant contribution is in Agriculture with ~3.3M registered farmers leveraging our input (seed & fertilizers) and coffee solutions
- Our Payment Gateway (UrubutoPay) contributes to the cashless ecosystem with total merchants increased by 30% to 597; while Transaction value increased by 37% to RWF 55 billion
- Urubuto Education Management System continues to streamlines schools' operation, increase efficiencies, and improve parents' engagements with registered schools increased by 25% to 195 schools
- Finally, Techouse in partnership is other BK Group subsidiaries deployed new innovative digital financial solutions to deepen financial inclusion including School Fees Loan (Tuza na BK) and new digital channels for Aguka Investment Funds

BK Foundation

- Provided financial literacy and entrepreneurship programs to more than 2,200 individuals.
- Empowered over 225 of MSMEs with capacity building
- Implemented environmental conservation projects with 25,000 planted to mitigate environmental impact.

"BK Group strengthened financial inclusion, empowered communities, and advanced sustainability, setting the stage for 2025–2027 growth through digital innovation, ecosystem expansion, and operational excellence."

Sustainability and Corporate Social Responsibility (CSR)

BK Group advanced its sustainability agenda in alignment with SDGs, Vision 2050, and NST2:

- Key initiatives highlights include:
  - Scholarships for 464 students through BK Foundation.
  - Contributed Rwf300 million to support government's school feeding program (Dusangyire Lunch).
  - Provided clean and renewable solutions to 141 households.

Forward-Looking Strategy

Looking ahead to 2025–2027:

a) Scale process automation across all subsidiaries.
b) Expand market reach through the rollout of digital ecosystems and transformation from product owner to ecosystem developer (see Transformation Journey image).
c) Embed sustainability into core operations, including the commencement of sustainability reporting and.
d) Develop new products tailored to emerging customer needs, including sustainability linked products.
e) Achieving full integration of group IT systems specially to promote cross-selling and product bundling.

Key focus areas for 2025 include:

Governance Framework

Governance improvements in 2024 ensured alignment across subsidiaries:

- Implemented a unified three-year strategic planning cycle (2025–2027) and cascaded to all subsidiaries.
- Strengthened cross-subsidiary collaboration through establishment of ways of working together across key cross-cutting domains.

10. Conclusion

BK Group remains committed to delivering value through innovation, operational excellence, and sustainability. As we move into 2025, we are confident that our strategy will continue driving socio-economic transformation in Rwanda while creating long-term value for all stakeholders.

Awards & Accolades : A Timeline of Achievements

As we continue on our journey to redefine the financial landscape, BK Group has been recognized for its efforts in innovation, operational excellence, and social impact. Below is a timeline showcasing some of our key achievements and accolades over the years.

2020

Global Finance Award – Best Investment Bank
EMEA Finance Award – Best Bank in Rwanda
Asian Banker Leadership Achievement Award – Best CEO Response to COVID-19

2021

Euromoney Awards for Excellence – Best Bank in Rwanda
Global Finance – Best Bank in Rwanda

2022

Global Finance Award – Best Bank in Rwanda
Euromoney Awards for Excellence – Best Bank in Rwanda
Gender Equality Seal – Gold Category (pioneered by UNDP)

2023

Global Finance Award – Best Bank in Rwanda
Euromoney Award for Excellence – Best Bank in Rwanda
The Banker Award – Best Bank in Rwanda
ESG Bond of the Year - BK Capital

2024

Best Securities House in Rwanda - Euromoney Securities Houses

Our Governance

Our Governance

"As I reflect on 2024, I am proud of BK Group's remarkable progress in building a unified financial ecosystem that empowers communities and drives sustainable growth. Through strategic integration, digital innovation, and a commitment to customer-centric solutions, we have laid a strong foundation for the future. Our focus on expanding digital capabilities, enhancing operational efficiency, and fostering a culture of inclusion and sustainability ensures that we are not just meeting the needs of today, but also shaping the future of Rwanda's financial sector with resilience, purpose, and innovation."

Jean Philippe Prosper

Chairman, BK Group Plc

Reflections from the Board Chairman

Dear Shareholders,

As I reflect on my second year as Chairman of the Board of BK Group PLC, it gives me great pleasure to present the 2024 BK Group Integrated Annual Report. This year has been marked by significant progress in our strategic vision, delivering robust financial performance. Net Income rose by 21.7% year-on-year to RWF 91.0 billion, resulting in a Return on Equity improved to 22.6%, up from 21.8% the year prior, highlighting the resilience and effectiveness of our business model.

These achievements underscore our strategic execution and disciplined financial management, even as we advanced our mission of providing customer-centric, innovative financial solutions that empower communities across Rwanda.

Building an Integrated Financial Ecosystem

In 2024, substantial progress was made in realizing our vision of BK Group as a unified financial ecosystem. Strategic integration of people, processes, and technologies are eliminating traditional silos between our banking, insurance, capital, and technology businesses to deliver the ultimate and seamless customer experience. This transformation is enabling our customers to access our comprehensive suite of services through a single point of contact, enhancing convenience while improving operational efficiency.

Our technology initiatives are at the heart of this transformation. During the year, we have set the necessary foundation and advanced on several critical projects such as: setting up a robust data strategy, group-wide CRM integration, and a unified ERP system. These initiatives underpin our ongoing growth and innovation efforts.

Expanding Digital Capabilities

The launch of BK Pay was a significant milestone in our digital transformation journey. This innovative payment system allows customers to make direct payments from BK accounts without third-party platforms, supporting Rwanda's cashless economy initiative. Additionally, through our banking subsidiary, we are part and parcel of the national interoperability initiative "eKash" - a digital payment platform that enables individual and businesses to make transactions seamlessly across financial institutions and mobile money operations.

Our digitalization strategy extends beyond customer-facing solutions, with ongoing investments in automation and artificial intelligence, enhancing decision-making and operational efficiencies. These initiatives are already yielding measurable improvements in customer service and resource management. Notably, BK TecHouse now serves over 4.5 million registered digital users, including 3.3 million farmers, through our agritech platforms, driving digital inclusion at scale.

Strategic Alignment and Risk Management

In 2024, we implemented a more structured approach to our strategic planning process, aligning subsidiary objectives with our corporate strategy for 2025-2027. Our five strategic pillars—**(1) fostering an innovative culture, (2) building a customer-centric organization, (3) driving automation and process efficiency, (4) developing customer-centric products and ecosystem, and (5) deploying an aggressive customer sales force—continue to guide our decisions and investments.**

Central to our strategy is Bank of Kigali, which continues to be the Group's engine of performance, contributing over 95% of total assets and earnings. A key strategic move has been to fully leverage this strength by positioning Bank not only as the primary financial service provider, but also the lead distribution channel for the Group's broader offerings, including investment and insurance products. This integrated model enhances customers trust, simplifies access, and reduces operational redundancies.

By enabling Bank of Kigali' representatives to provide seamless financial advice and across the Group's services, we are improving client experience while driving operational synergies.

Simultaneously, we are accelerating the growth trajectory of BK General Insurance, BK Capital, and BK TecHouse, building momentum toward a more balanced and diversified income base over the next three to five years. In 2024 alone, BK General Insurance served 22,900 customers, reflecting a 28.6% increase from the previous year. Assets Under Management through our investment arm, BK Capital, increased significantly by 76% to RWF 71.1Billion. These trends point to solid growth in both scale and impact.

Commitment to Sustainability and Inclusion

As Rwanda's leading financial institution, we recognize our responsibility to promote sustainable development. We are considering the addition of sustainability as a sixth strategic pillar, aligning our operations with Rwanda's National Strategy for Transformation. The successful arrangement of East Africa's inaugural sustainability-linked bond and subsequent listing of the second tranche in October 2024 on the Rwanda Stock Exchange (RSE) by BK Capital underscores our commitment and demonstrates our leadership in sustainable finance.

Our commitment to diversity and inclusion remains unwavering. With 40% of our companies' CEOs and one-third of our board members being women, we continue to demonstrate that diversity is not just a social imperative but a business advantage. This gender balance brings diverse perspectives to our decision-making processes, driving innovation and business success.

Leadership and Succession Planning

Effective succession planning is critical to our long-term stability, ensuring seamless leadership continuity and sustained confidence from investors and stakeholders alike. This year, we warmly welcomed Dr. Uzziel Ndagijimana, a distinguished economist and finance expert, as the new Chief Executive Officer of BK Group Plc. Dr. Uzziel brings exceptional depth and breadth of financial and strategic experience that will position BK Group for continued success and innovation.

We also mark a moment of transition at both the Group and subsidiary level. We express our deep appreciation to our outgoing CEO, Beata Habyarimana, whose inspiring vision and unwavering dedication laid a strong foundation for the future of BK Group.

In parallel, we welcomed Eugene Ubalijoro as the new Chair of the Board at Bank of Kigali. We extend our gratitude to Rod Reynolds for his six years of dedicated service and steady leadership at the helm of the Bank's Board.

Looking Ahead

We continue to explore opportunities that enhance our Group's long-term value and impact. In 2024, we initiated board-level discussions on entering the fund management space, with a focus on private equity. We view this as a critical gap in Rwanda's financial ecosystem, particulary for SMEs, and have undertaken preliminary work to assess its viability. Early findings are encouraging and we hope in 2025-2026 to establish our first private equity fund in Rwanda.

Similarly, we are also considering growing our insurance business. More work will be done in this area in 2025 and hopefully, we will be in a position to make more announcements in our 2025 Annual Report.

Conclusion

Moving forward, we will deepen further our digital ecosystem, enhance our data-driven capabilities, and strengthen subsidiary synergies. With Total Assets crossing RWF 2.5 Trillion and bank customer numbers reaching over 527,000 in retail and 208,000 in corporate banking, our focus remains on providing innovative digital products, robust agricultural financing and insurance, and advancing ESG initiatives. As mentioned above, we will venture in the fund management business, eventually providing much needed equity to medium sized businesses.

On behalf of the board, I extend my sincere gratitude to our valued customers across all our service points for their continued trust, our dedicated employees for their unwavering commitment, our executive management team for their excellent execution of BK Group's strategic vision, our supportive shareholders for their confidence in our vision and the Rwandan community at large whose invaluable support we have received over the years. Together, we are building a financial institution that not only delivers strong financial performance but also drives positive and tangible change across Rwanda's financial sector and wider landscape.

Murakoze cyane!

Jean Philippe Prosper

Chairman, BK Group Plc

In 2024, BK Group made substantial progress in integrating people, processes, and technology across our banking, insurance, capital markets, and technology arms. By positioning Bank of Kigali as the lead distribution channel and advancing unified systems like CRM and ERP, we are delivering seamless, client-centric services while unlocking group-wide efficiencies.

BK Group Board of Directors

Jean Philippe Prosper
Chairman

Sonia K. Masimbi
Vice Chairperson

Darren K. Smith
Board Member

Roselyne Uwamahoro
Board Member

Francis Gatare
Board Member

Achumile 'Ace' Majija
Board Member

Ulrich Kayinamura
Board Member

Risk Management Approach

A Culture of Risk Awareness and Resilience

At BK Group, risk management is more than a function, it is a shared responsibility embedded across the organization. Our risk culture is built on an all-encompassing approach, ensuring that every employee, from leadership to frontline teams, plays an active role in safeguarding the Group's financial strength and long-term sustainability.

We continuously engage employees at all managerial levels across our operations and business divisions, equipping them with the knowledge and tools needed to navigate risks effectively and uphold the highest standards of compliance. By fostering a risk-aware culture, we ensure that governance is not confined to a single team or committee but is woven into every decision we make.

A Robust and Adaptive Risk Framework

BK Group operates within a comprehensive risk and compliance framework that adheres to global best practices, regulatory requirements, and industry-leading standards. This framework is the driving force behind our ability to identify, assess, and balance financial and non-financial risks, allowing us to adapt swiftly to evolving challenges while seizing opportunities for innovation and growth.

Proactive Risk Management for Sustainable Growth

Our risk management process is structured, data-driven, and forward-looking, empowering our risk officers and managers to:

- Identify potential risks early through predictive insights and continuous monitoring
- Measure risk exposure using advanced analytics and stress-testing models.
- Monitor financial, operational, and market trends in real time to stay ahead of challenges
- Control risk impact through strategic mitigation plans and dynamic governance policies.

Guided by a robust regulatory framework, our risk management program covers key areas, including:

"At BK Group, risk management is not just a function, it's a culture of shared responsibility, resilience, and proactive governance woven into every decision we make. By empowering employees at all levels with the tools and knowledge to identify, assess, and mitigate risks, we ensure sustainable growth, regulatory compliance, and long-term value creation across the organization."

Risk Management for Banks

Credit Classification and Provisioning

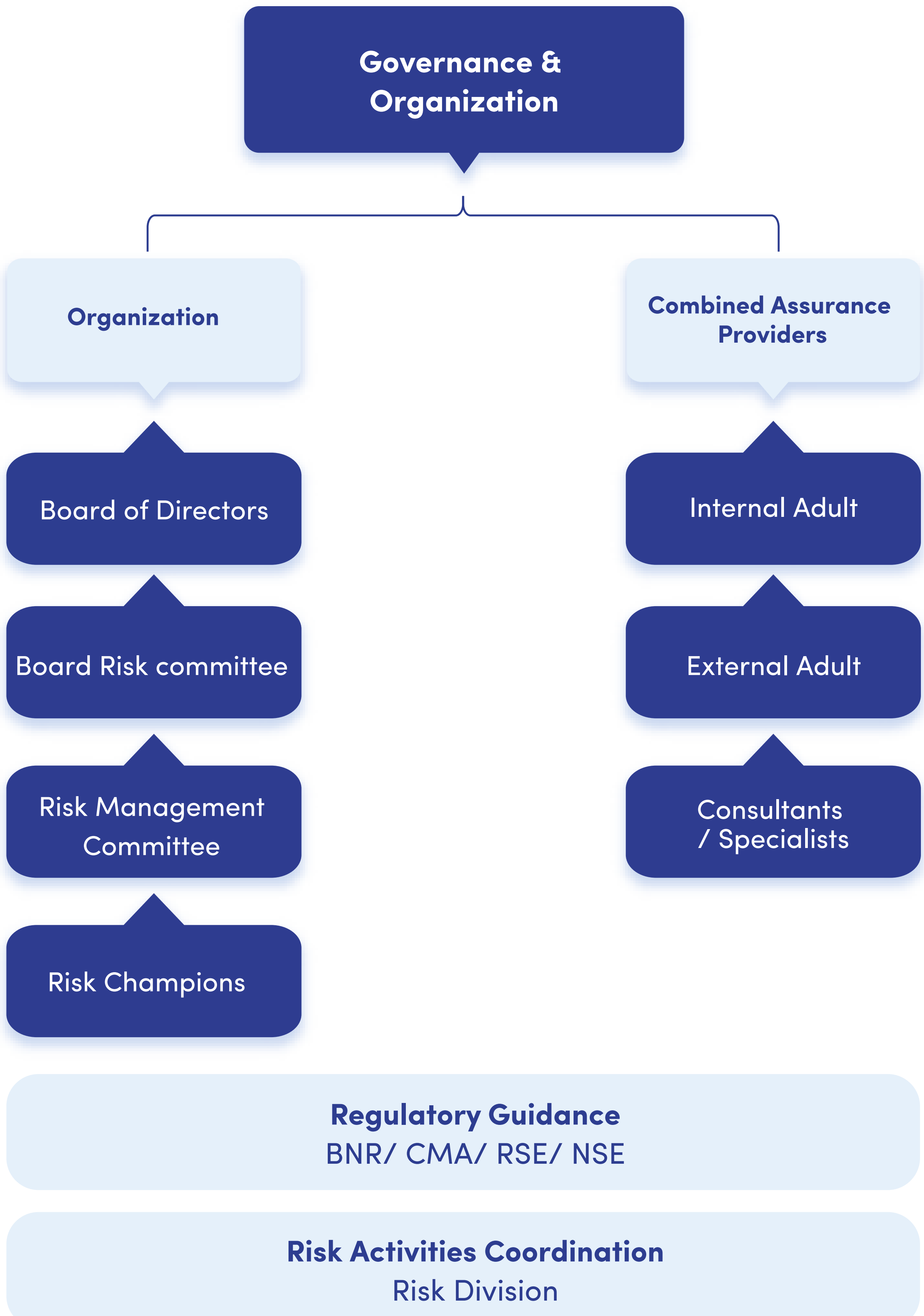
Corporate Governance

Management of Related Parties and Credit Concentration Risk

Capital and Liquidity Requirements for Banks

Business Continuity Management

Risk Management Approach



The Group's operations are regulated by Rwanda's Central Bank, the National Bank of Rwanda (BNR). In its efforts to comply with and ensure proper alignment with the BNR's regulatory requirements, the Board of Directors established the Board Risk Committee (BRC).

The BRC is responsible for overseeing the formulation of risk management policies and adherence to risks appetites in coordination with the Group's four lines of defense. Additionally, the BRC ensures that risk manage- ment policies are regularly updated to be in line with the Group's strategy, the BNR's regulatory requirements, and international best practices.

Risk Outline and Policies

Risk	Risk Management Approach	Outcomes in 2024
Credit Risk	The Group employs rigorous credit approval frameworks and a standardized credit review system to assess, monitor, and manage portfolio health, ensuring responsible lending.	The Group employs rigorous credit approval frameworks and a standardized credit review system to assess, monitor, and manage portfolio health, ensuring responsible lending.
Market Risk	Market risk is actively managed through daily monitoring of currency and interest rate risks, with the Board of Directors setting exposure limits. Hedging strategies are employed to maintain risk positions within defined thresholds.	The Group closely monitored foreign exchange positions and interest rate fluctuations to mitigate revaluation risks. Key metrics (LCR, NSFR, NOP) remained well within regulatory and internal limits, ensuring financial stability amid market volatility.
Operational Risk	A comprehensive operational risk framework covers behavioural, cyber, credit, and compliance risks. The Bank utilizes the Basic Indicator Approach to measure, monitor, and mitigate risks across divisions.	The Group enhanced risk awareness through regular monitoring, reporting, and employee training. This proactive approach ensured preparedness against potential risks and reinforced resilience in operational processes.
Concentration Risk	Controls and measures are in place to prevent overexposure in key sectors. These include portfolio diversification, counterparty limits, and rigorous approval mechanisms.	The Group effectively managed concentration risk across client segments, economic sectors, and business lines. Strategic diversification efforts, particularly through increased lending to retail and SME clients, strengthened portfolio balance.
Capital and Solvency Risk	The Group maintains an actively managed capital base, overseen by the Asset-Liability Committee (ALCO). Capital adequacy is continuously assessed against BNR regulatory ratios and global best practices.	A solid capital base was maintained, reinforcing investor, creditor, and market confidence. The Group successfully sustained business growth while ensuring financial soundness.
Funding Risk	A diverse set of financial ratios is used to monitor and manage cash flow risks associated with project financing.	The Group maintained a stable funding structure, securing long-term sustainability and investor confidence while ensuring operational liquidity.
Liquidity Risk	The Group ensures liquidity through a disciplined approach, monitoring the net liquid assets-to-deposits ratio daily. Stress testing under various market conditions ensures readiness for both normal and crisis scenarios.	The Group maintained strong liquidity levels, ensuring that obligations were met on time and under all conditions—without incurring losses or reputational risks.

Anti-Corruption

BK Group Plc (The Group) is fully committed to preventing corruption by maintaining ethical behavior among its staff, customers, suppliers, contractors, other providers of our sourced activities, representatives, and agents.

Corruption has both financial and reputational costs, not only on the Group but the entire country. In this respect, the Group has a zero-tolerance philosophy toward actual or attempted bribery.

Risks

Incidences of corruption and other unethical behavior are taken into account in any assessment. Corruption cases are investigated as part of fraud investigations, which are conducted whenever a suspicious or detected fraud act occurs.

Training

The anti-corruption initiatives have been approved by the Board of Directors of BK Group Plc Plc. These initiatives are cascaded to the executive management, heads of departments, and 100% of the entire staff. All business partners, including suppliers and agents, have been informed of our initiatives

Compliance

The Group is fully committed to complying with the highest standards associated with banking and financial regulatory frameworks and policies. It is constantly aiming to set the bar for sound and ethical business practices to ensure the best interest of the Group's stakeholders and align with international best practices.

The Group is committed to implementing all regulations, including Regulation n° 55/2022 of 27/10/2022 relating to financial service consumer protection and Law Nº 058/2021 of 13/10/2021 relating to the protection of personal data and privacy.

The Board is responsible for putting in place policies that align with the regulations. It maintains oversight on regulatory compliance by receiving and assessing, on a quarterly basis and whenever required, various reports from management, including compliance, risk, and internal and external audit reports, all of which allow it to make an informed decision and take measures that ensure. The Group is subjected to regulatory audits through onsite inspections and offsite reviews. These audits by the regulator complement the work done by the Group's three lines of defense, namely the compliance, risk, and internal audit functions. These internal control func- tions are an essential component of the Group's compliance framework, as they bolster its ability to identify, measure, and mitigate significant risks to the Group's operations.

Tax Compliance

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

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period in Rwanda. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They estab- lish provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

The Group complies with tax law to ensure automation is implemented in core banking to collect taxes automatically where applicable and proper tax set-up is executed in ERP to ensure that taxes are correctly captured during payment processes. Monthly tax returns are prepared by a tax accoun- tant and reviewed by direct supervisors within the Group Finance department and the payment is completed within the specified timelines stipulated by tax law.

The tax health check is conducted annually by an external advisor with experience in applicable tax laws in Rwanda. They provide guidance on compliance as needed. Additionally, we engage tax authority directly in case of guidance or any dispute regarding tax. The Group also uses Rwanda Banker's Association (RBA), BNR, MINECOFIN, and other tax practitioners, including professional audit firms, for collecting and considering the views and concerns of stakeholders, including external stakeholders.


NANJYE NI BK
NANJYE NI BK
2024

Corporate Governance Framework

The Group has established a Group Corporate Governance Framework which is now implemented across all subsidiaries

Upholding Excellence in Governance

At BK Group Plc, corporate governance is more than a regulatory requirement, it is the foundation of sustainable growth, stakeholder trust, and long-term value creation. As Rwanda's leading financial services group, we uphold the highest ethical, legal, and governance standards, ensuring transparency, accountability, and strategic oversight across all our subsidiaries. Our Corporate Governance Framework fosters a culture of responsibility, balancing authority with stewardship to drive sustainable success beyond financial performance.

Governance Framework and Board Oversight

The BK Group Governance Framework provides clear structures for leadership, accountability, and control, ensuring alignment with both local regulatory standards and global best practices. This framework empowers the Board of Directors and Senior Management with well-defined responsibilities to enhance decision-making, safeguard shareholder interests, and foster an ethical corporate culture.

BK Group Plc Board of Directors and Committees

BK Group Plc Board - As of 31 December 2024, the BK Group Plc Board comprised seven directors:

Jean Philippe Prosper
Chairperson of the Board
Independent

Sonia K. Masimbi
Vice Chairperson
Independent

Roselyne Uwamahoro
Board Member
Independent

Francis Gatare
Board Member
Non-Independent

Darren K. Smith
Board Member
Non-Independent

Achumile 'Ace' Majija
Board Member
Independent

Ulrich Kayinamura
Board Member
Non-Independent

The Board of Directors plays a pivotal role in shaping BK Group's strategic direction, maintaining financial integrity, and ensuring prudent risk management. With a blend of independent and non-independent directors, the Board fosters a balance between strategic oversight and operational excellence. To reinforce accountability, the Board operates through specialized committees:

Nomination and Governance Committee

The Nomination and Governance Committee is appointed by the Board of Directors, with the Company Secretary serving as its Secretary. The committee plays a pivotal role in overseeing corporate governance across the BK Group, ensuring leadership excellence and compliance with governance frameworks.

Key responsibilities include:

- Leading the selection and appointment process for C-suite executives, senior full-time hires, and Board vacancies across subsidiaries.
- Establishing and reviewing governance policies related to employee retention, diversity, equality, and significant employee relations matters.
- Ensuring compliance with corporate governance requirements across the Group.

In alignment with corporate governance best practices, the committee also oversees the bonus and compensation framework. Bonuses at BK Group Plc are determined through a rigorous performance review process, evaluating both individual and Group performance against predefined targets. The committee is responsible for reviewing and approving Group staff compensation and bonuses to ensure fairness and alignment with strategic objectives.

BK Group Plc adheres to the Law N° 007/2021 Governing Companies in Rwanda, particularly Article 164, which mandates transparency in executive remuneration. This law requires companies to disclose total compensation—including bonuses and incentive schemes—of directors, executives, and key officers at least once annually, ensuring shareholders receive full disclosure. In compliance, BK Group Plc provides detailed remuneration reports for Board Members and Chief Executives of its subsidiaries.

Investment Committee

The Investment Committee is appointed by the Board of Directors, with the Company Secretary serving as its secretary. The committee is responsible for defining, implementing, and reviewing the Group's investment strategy to ensure alignment with its long-term objectives.

Key responsibilities include:

- Evaluating and recommending significant internal and external investments to the Board.
- Assessing the appropriateness of investment strategies, ensuring they align with risk tolerance and projected performance.
- Reviewing investment performance against expectations and strategic objectives.
- Monitoring risk exposure across various asset classes and providing guidance on corrective actions when necessary.

Through rigorous oversight and strategic foresight, the Investment Committee ensures that BK Group Plc maintains a resilient and high-performing investment portfolio, supporting sustainable growth and long-term value creation.

BK Group Plc Board Total Annual Remuneration in FRw'000

Name	Title	2024	2023
Jean Philippe Prosper	Chairperson of the Board	151,363	52,155
Sonia K. Masimbi	Vice Chairperson	49,228	43,988
Roselyne Uwamahoro	Board Member	45,345	29,881
Francis Gatare	Board Member	47,335	31,113
Darren K. Smith	Board Member	45,355	34,774
Achumile 'Ace' Majija	Board Member	46,459	18,438
Ulrich Kayinamura	Board Member	9,786	-

BK Group Plc Subsidiaries CEO/MD - Total Annual Remuneration in FRw'000

Name	Subsidiary	2024	2023
Dr. Uzziel Ndagijimana	BK Group Plc	145,268	-
Béata U. Habyarimana	BK Group Plc	152,552	318,673
Dr. Diane Karusisi	Bank of Kigali Plc	525,815	471,720
Alex Bahizi	BK General Insurance Ltd	253,454	233,598
Deogratius Stephen Massawe	BK TecHouse Ltd	188,238	209,720
Siongo Kisoso	BK Capital Ltd	119,277	119,277
Ingrid Karangwayire	BK Foundation Ltd	69,317	58,076

Bank of Kigali Plc Board

The Bank of Kigali Plc Board of Directors is elected by the Bank's shareholders and is collectively responsible for the institution's long-term success. The Board is accountable for the Bank's overall performance, ensuring that strategic objectives align with sustainable growth and shareholder value.

Key responsibilities include:

- Setting the Bank's strategic direction within a framework of incentives, rewards, and governance controls.
- Balancing long-term growth with short-term objectives to drive financial performance and operational excellence.
- Overseeing risk management, financial reporting, and regulatory compliance.

The Board is currently structured with two non-independent directors and five independent directors, including the Chairman. Its composition and size are determined in accordance with the Bank's Articles of Association, Board Charter, and applicable laws.

By upholding the highest corporate governance standards, the Bank of Kigali Plc Board ensures resilience, transparency, and strategic foresight, reinforcing its position as a leading financial institution in Rwanda.

As of 31 December 2024, the Bank of Kigali Plc Board comprised seven directors:

Rod Reynolds
Chairperson
Independent

Regis Rugemanshuro
Vice Chairperson
Non- Independent

Eugene Ubalijoro
Board Member
Independent

Angela Wamola
Board Member
Independent

Dr. Pie Habimana
Board Member
Independent

Laban Bayingana
Board Member
Non- Independent

William Juma Arogo
Board Member
Independent

Risper Alaro Mukoto
Board Member
Independent

Board Operations and Control

The Board of Directors, composed of both executive and non-executive members, operates in full compliance with the Companies Law of Rwanda, the Bank's Memorandum and Articles of Association, the Board Charter, and the BNR Regulation on Corporate Governance for Banks. The Board is committed to promoting the Bank's success for the benefit of all stakeholders.

Directors are appointed by shareholders through a shareholders' resolution, following a rigorous selection process based on financial expertise, leadership qualities, technical expertise, and diversity. To uphold the Bank's commitment to inclusivity, factors such as academic qualifications, industry knowledge, nationality, age, and gender are also considered.

The Board is responsible for creating and delivering sustainable stakeholder value by setting the Bank's strategic objectives and policies. It ensures management strikes an appropriate balance between long-term growth and short-term performance. As the decision-making body, the Board oversees:

- Financial oversight, including approval of quarterly, half-yearly, and annual financial statements.
- Corporate actions, such as changes in capital structure, major mergers, acquisitions, and capital expenditures.
- Governance matters, including the appointment or removal of directors and the company secretary.
- Executive performance, including the review of the Chief Executive Officer's leadership.
- Dividend approvals and the annual budget.

The Board convenes at least once per quarter, with directors required to attend at least 75% of meetings annually. Members who fail to meet this requirement must resign. In 2024, the Board held four Ordinary Meetings and one Extraordinary Meeting.

Board Committees

To enhance its oversight function, the Board establishes committees as needed, ensuring they operate within clearly defined mandates. Each committee must adhere to Board regulations, report quarterly, and meet regularly under delegated terms of reference. Currently, the Board oversees five key committees, each playing a vital role in governance and decision-making.

As of 31 December 2024, the Bank of Kigali Plc Board comprised seven directors:

Board Committees	Directorship	Board	Audit Committee	Risk Committee	Credit Committee	Nomination & remuneration committee	IT Committee
Rod Reynolds	Independent	7/7	N/A	N/A	N/A	N/A	N/A
Regis Rugemanshuro	Non-Independent	7/7	N/A	4/4	8/10	N/A	4/4
Laban Bayingana	Non-Independent	7/7	N/A	N/A	10/10	2/4	N/A
William Juma Arogo	Independent	7/7	N/A	4/4	10/10	N/A	N/A
Eugene Ubalijoro	Independent	7/7	4/4	N/A	N/A	4/4	4/4
Risper Alaro Mukoto	Independent	6/7	N/A	N/A	N/A	4/4	N/A
Angela Wamola	Independent	6/7	2/4	4/4	N/A	N/A	4/4
Dr. Pie Habimana	Independent	6/7	4/4	N/A	N/A	2/4	N/A

Remuneration

Name	2024	2023
Rod Reynolds	169,917	131,861
Eugene Ubalijoro	86,046	65,441
Regis Rugemanshuro	82,210	53,574
William Juma Arogo	94,514	65,441
Angela Wamola Wabosha	86,036	54,959
Laban Bayingana	84,970	25,957
Risper Alaro	86,045	65441
Dr. Pie Habimana	48,030	-

Nomination and Remuneration Committee

The Nomination and Remuneration Committee oversees strategic people-related matters, including employee retention, equality, diversity, and significant employee relations issues. It advises the Board-on-Board appointments, ensuring an appropriate balance of skills, experience, independence, and availability across the Board and its committees.

The Committee also leads the development of a comprehensive remuneration policy aligned with the Company's business strategy, risk appetite, and long-term objectives. This includes advising on salaries, bonuses, employment contracts, severance and retirement benefits, and long-term incentive schemes. The Committee is chaired by an Independent Director.

Credit Committee

The Credit Committee is responsible for approving the Bank's credit facilities. It reviews all credit transactions and approves loans that exceed the Management Credit Committee's authority limit, as determined by the Board.

Additionally, the Committee ensures that the Bank maintains high standards of internal control in managing risk assets. Given the volume of transactions requiring Credit Committee approval, urgent credit decisions may be made between meetings, following a structured process to ensure all members receive comprehensive information before approval.

Audit Committee

The Audit Committee ensures the Bank's compliance with regulatory policies and internal governance standards. Its key responsibilities include:

- Approving the internal audit plan and reviewing external auditors' scope and audit plans.
- Assessing audit reports and identifying internal control weaknesses.
- Ensuring financial reporting integrity by reviewing annual and interim financial statements.
- Overseeing external auditors to maintain their independence and objectivity.

The Committee has unrestricted access to external auditors for additional information and explanations. The Chairman of the Board is not a member of the Audit Committee but may attend meetings as necessary.

Board Risk Committee

The Board Risk Committee ensures the Bank has a robust risk management framework to effectively identify, measure, control, and monitor risks. The Committee is responsible for:

- Reviewing the Bank's risk control systems and ensuring effective risk policies and strategies.
- Overseeing the risk management function, including the Asset and Liability Committee (ALCO) at the management level.
- Assessing risk exposure and issuing recommendations to the Board.
- Advising on risk appetite and overseeing its implementation.

The Committee provides independent oversight of corporate risk management, integrating risk concerns raised in Audit Committee and Asset and Liability Committee discussions.

Board IT Committee

The Board IT Committee oversees the IT Steering Committee and ensures compliance with cybersecurity laws and regulations. The Committee has the authority to investigate IT-related matters, seek internal and external expertise, and collaborate with other Board Committees and senior management to align corporate and IT strategies.

Company Secretary Mandate

As outlined in the Board Charter, the Company Secretary provides guidance and administrative support to the Board. Responsibilities include:

- Serving as a point of reference for all directors and ensuring they receive relevant information.
- Coordinating orientation and ongoing education for Board members.
- Assisting the Chairman and Chief Executive Officer in formulating the annual Board Plan and other strategic matters.
- Organizing Board meetings and ensuring accurate documentation of discussions and decisions.

Directors can obtain information from external consultants and advisors through the Company Secretary when needed.

External Auditor

The external audit function, overseen by the Audit Committee, provides an additional layer of assurance regarding the integrity of financial statements. Key responsibilities include:

- Reviewing and approving the external audit plan and engagement.
- Assessing the performance and independence of the external auditor.
- Ensuring financial statements present a balanced and fair view of the Bank's financial position.

The external auditor, Ernst & Young, independently examines the reasonableness of the Bank's financial statements. The auditor meets with the Audit Committee quarterly for interim results and reports directly to the Board at the end-of-year meetings.

BK Capital

Board Attendance

Name	Title	Meetings Attended
Moses Kiiza	Independent	4/4
Flora Nsinga	Non-independent	4/4
Christian Bugabo	Independent	4/4
Kedibone Imathiu	Independent	4/4

Remuneration

Name	2024	2023
Moses Kiiza	26,504	2,857,148
Flora Nsinga	-	1,714,284
Christian Bugabo	-	857,142
Kedibone Imathiu	18,929	-

BK General Insurance

Board Attendance

Name	Title	Meeting Attended
Chantal Habiyakare	chairperson	4/4
Jean Enoch Habiyambere	Vice chairman	4/4
Nicolas Murimi	Director	4/4
Achumile Majija	Director	4/4
Athanase Rutabingwa	Director	4/4
Shehzad Noordally	Director	4/4
Patrice Bastide M.G.M	Director	4/4

Remuneration

Name	2024	2023
Jean Enoch Habiyambere	7,142,857	10,000,001
Shehzad Noordally	9,857,143	8,285,714
Achumile Majija	5,857,143	4,100,000
Patrice Bastide M.G.M	8,142,857	7,428,571
Chantal Habiyakare	10,714,286	5,000,000
Athanase Rutabingwa	10,714,286	5,000,000

BK TecHouse

Board Attendance

Name	Title	Meeting Attended
Nathalie Munyampenda	Independent	4/4
Dr. Diane Karusisi	Non-independent	4/4
Samuel Nshimiyimana	Independent	4/4
Didier K. Nkurikiyimfura	Independent	4/4
Philip Gasaature	Independent	4/4
Jean Aime Cliff Muligande	Non-independent	4/4

Remuneration

Name	2024	2023
Nathalie Munyampenda	5,714,289	1,714,286
Dr. Diane Karrusisi	-	1,714,286
Samuel Nshimiyimana	3,571,429	1,714,286
Philip Gasaature	2,142,857	5,142,858
Didier Nkurikiyimfura	-	
Jean Aime Cliff Muligande	-	

Bank of Kigali Board of Directors

Rod Reynolds
Chairperson

Regis Rugemanshuro
Vice Chairperson

Angela Wamola
Board Member

Eugene Ubalijoro
Board Member

Dr. Pie Habimana
Board Member

Laban Bayingana
Board Member

William Juma Arogo
Board Member

Risper Alaro Mukoto
Board Member

BK General Insurance Board of Directors

Chantal Habiyakare
Chairperson

Jean E Habiyambere
Board Member

Patrice Bastide
Board Member

Shehzad Noordally
Board Member

Athanase Rutabingwa
Board Member

Nicholas Murimi
Board Member

Achumile 'Ace' Majija
Board Member

BK Capital Board of Directors

Moses Kiiza
Chairperson

Flora NSINGA
Board Member

Kedibone Imathiu
Board Member

Christian Mugabo
Board Member

BK TecHouse Board of Directors

Nathalie Munyampenda
Chairperson

Dr. Diane Karusisi
Board Member

Jean Aime Muligande
Board Member

Philip Gasaatura
Board Member

Didier Nkurikiyimfura
Board Member

Samuel Nshimiyimana
Board Member

Our Business

At BK Group, leadership is more than strategy, it's about delivering impact that transforms lives. Our leadership team leads with vision, expertise, and an unwavering commitment to innovation and sustainable growth.

Together, they steer Bank of Kigali, BK Insurance, BK Capital, BK TecHouse and BK Foundation ensuring that each subsidiary not only achieves financial success but also delivers real-world impact.

Under their guidance, BK Group has not only achieved financial milestones but also championed inclusive economic growth, digital transformation, and community empowerment. Their collective efforts go beyond numbers to create lasting value for shareholders, customers, and communities.

Each member of our leadership team brings deep expertise and a shared commitment to progress. Together, they drive BK Group's financial strength, digital evolution, risk resilience, and social impact.

Our Business

"BK Group's achievements go beyond financial success. We are committed to innovation, sustainable growth, and transforming communities across Rwanda. From empowering women entrepreneurs to supporting youth financial literacy and advancing green finance, we are creating pathways to prosperity for all. Through inclusivity and technology, we ensure that quality financial services reach underserved communities. Together, we are building a resilient financial ecosystem that contributes to Rwanda's development and empowers individuals to shape their future."

Message from the Group Chief Executive Officer

Dear Valued Stakeholders,

It is with great honor and purpose that I share with you BK Group's journey through 2024 – a year marked by meaningful progress, bold transformation, and sustainable impact. As Rwanda's leading financial institution, our vision has never been solely about profits, but about leveraging our position to create lasting value to all stakeholders – our customers, shareholders, employees, and the community we serve.

Over the course of the year, we worked diligently to deliver financial results that not only speak to our operational excellence, but also to our role as a catalyst for inclusive growth and national development. Guided by a culture of innovation, sound governance, and an unrelenting commitment to excellence, we have reinforced our resilience, extended access to underserved populations, and contributed meaningfully to Rwanda's socio-economic transformation.

The accomplishments of 2024 reflect the efforts of an exceptional team across our subsidiaries and the trust of more than 800,000 customers who continue to choose BK Group as their financial partner of choice. As we look ahead, our mission remains clear—to build a stronger, more inclusive, and sustainable financial future for Rwanda and the region..

Driving Meaningful Change Through Financial Excellence

Indeed, in spite of the ever-growing and competitive business landscape, BK Group delivered remarkable financial outputs and growth, increasing the bottom line by 14.9% to a profit-before-tax (PBT) of RWF 126.1 Billion driven by an improvement in core earnings across all our operating entities. Operating income continued its upward trend, growing by 15.3% year-on-year. Net Interest Income rose by 15%, driven by the increase the loan portfolio of our banking subsidiary and our overall investment securities portfolio. Non-Interest income increased to RWF 68 Billion, reflecting higher transaction volumes across all operating entities, on the back of growth noted in fee and commission income and insurance revenues.

Our relentless efforts to strengthen our human capital and optimize operational and technological capabilities have resulted in operating expenses decreasing by 3%, with our cost to income ratio, positively declining to 38.1% from 42.8% the previous year. Preserving our financial soundness remains paramount. Our Asset quality metrics improved, with the NPL Ratio falling to 3.2% from 4.5% the year before and well below the 5% regulatory threshold. This resulted in value creation to our shareholders with the Return on Average Equity (ROAA) increasing to 22.6% and the Return on Average Asset (ROAA) increasing to 3.9%.

While these figures demonstrate our operational excellence, they represent something far more significant, they are catalysts for economic transformation and social progress. Our financial strength has allowed us to expand our reach, particularly to previously underserved segments, creating pathways to prosperity for countless Rwandan households and businesses.

Through disciplined risk management, strategic investments in digital infrastructure, and thoughtful portfolio expansion, we have built a foundation that supports not just shareholder value, but broader societal advancement. Each franc of profit generated translates into resources reinvested in Rwanda's future, financing the farmer seeking to modernize agricultural practices, supporting the young entrepreneur turning innovation into employment opportunities, and empowering the family securing their first home.

Subsidiary Highlights: Performance and Impact Across the Group

Our strong Group-level performance is the result of focused execution across each of our core subsidiaries:

Bank of Kigali Plc, our flagship banking subsidiary, continued to deliver strong earnings momentum and market leadership. Total assets grew by 19.5% year-on-year to FRW 2.46 trillion, with net loans and advances increasing by 16.8% to FRW 1.45 trillion. Client deposits rose by 19.4% to FRW 1.64 trillion, reflecting strong customer trust and a widening deposit base. The Bank served over 527,000 retail customers and 208,000 corporate & SME clients, supported by 67 branches, 5,054 agents, 103 ATMs, and more than 2,100 POS terminals. The Bank's ROAE stood at 25.9%, and the cost-to-income ratio improved to 36.7%.

BK General Insurance achieved a 9.4% growth in gross written premiums, reaching FRW 16.0 billion. The subsidiary recorded a 41.1% year-on-year increase in net profit to FRW 4.5 billion, driven by enhanced underwriting discipline and operational efficiency. The insurer paid FRW 3.7 billion in claims, with a loss ratio of just 33%, while expanding its customer base by 28.6% to 22,900 active policyholders.

BK TecHouse, our technology subsidiary, posted an 18% increase in revenue, reaching FRW 1.7 billion. The number of digital users across their platforms grew to 4.5 million. Urubuto Pay's merchant network expanded from 458 to 597, with transaction values increasing from RWF 35 billion to FRW 55 billion. The Urubuto Education system reached 185 schools, and registrations on the agritech platform grew to 3.3 million farmers.

BK Capital, our investment and advisory arm, recorded net operating income of FRW 1.6 billion, reflecting a 2% increase from the previous year. Assets under management rose by 76% to FRW

73.4 billion, with significant growth in both the Aguka Unit Trust Fund and managed accounts. Brokerage activity also expanded, with equity turnover rising 51% year-on-year, solidifying BK Capital's position as a key player in Rwanda's capital markets.

Transforming Communities Through BK Foundation's Strategic Initiatives

The true measure of our success extends well beyond our balance sheet. Through BK Foundation, we have implemented evidence-based programs that address critical development needs:

BK Urumuri Initiative: This flagship program by BK Foundation goes beyond traditional financing by combining interest-free loans with comprehensive business mentorship, illustrating how targeted financial support fuels broader economic transformation. This year's initiative has enhanced access to capital for women-led and impact-driven businesses, fostered growth and sustainability, and strengthened Rwanda's entrepreneurial ecosystem by driving innovation and job creation. In 2024, the 8th edition of the BK Urumuri Initiative, themed "Women Empowerment," successfully supported 25 outstanding women entrepreneurs with interest-free financing and tailored business mentorship in partnership with Inkomoko Rwanda.

Financial Literacy and Youth Empowerment: Our partnership with iDebate Rwanda has reached over 10,000 students across 50 schools, equipping young Rwandans with essential financial management skills. Post-program assessments show a 65% improvement in financial knowledge among participants, laying the groundwork for generational change in financial behaviors.

Sustainability and Green Finance: We are committed to promote green financing initiatives, of which 32 renewable energy projects that have reduced carbon emissions by an estimated 25,000 tons annually. Our environmentally sustainable practices align strategically with Rwanda's Vision 2050 and contribute substantially to our national climate commitments.

Democratizing Access Through Technological Innovation

Innovation has been our vehicle for delivering inclusive financial services at unprecedented scale. In 2024, our digital transformation initiatives have significantly reduced the cost-of-service delivery while extending our reach to rural and underserved communities:

- Our mobile banking platform now serves 1.2 million active users, with 60% residing outside major urban centers.
- The implementation of our integrated digital financial services platform has broken down barriers among BK Group subsidiaries, creating a seamless ecosystem that delivers holistic financial solutions to customers across all income segments.
- BK Pay has processed over 3 million transactions worth FRW 75 Million, reducing transaction costs by 40% compared to traditional payment methods and bringing thousands of small merchants into the formal financial system.

These innovations represent more than technological advancement, they embody our commitment to financial democracy, ensuring that quality financial services are accessible to all Rwandans, not just the privileged few.

Building Forward: Our Commitment to Sustainable Progress

As we advance into 2025, BK Group will intensify its focus on measurable outcomes across economic, social, and environmental dimensions:

- We will deploy FRW 100 billion in targeted financing to 5,000 SMEs and startups, with special emphasis on women and youth-led enterprises in high-growth sectors.
- Our partnerships with government agencies, development organizations, and community groups will expand to address systemic barriers to financial inclusion.
- We will leverage artificial intelligence and data analytics to develop personalized financial solutions that respond to the unique needs of underserved market segments.
- Our sustainability portfolio will grow to encompass climate-smart agriculture, green housing, and renewable energy, directly contributing to Rwanda's climate resilience.

Throughout this journey, we remain vigilant about emerging challenges, particularly in cybersecurity and regulatory compliance. We have strengthened our governance structures and invested in advanced security systems to safeguard the trust our customers place in us.

A Collective Achievement

The transformative results highlighted in this report reflect the collective dedication of our 1,700+ employees, the unwavering trust of more than 800,000 customers, the collaborative spirit of our partners, the guidance of our Board of Directors, and the support of our shareholders. I extend my profound gratitude to each individual who has contributed to this shared vision of financial services as a catalyst for national development.

As we continue to measure our success not just by the strength of our financial returns but also by the meaningful difference we make in Rwandan society, I remain confident that together, we are building financial systems that truly serve the aspirations of our people and the development priorities of our nation.

With deep appreciation and renewed commitment.

Murakoze Cyane!

Dr. Uzziel Ndagijimana

Chief Executive Officer BK Group

14.9% increase in Profit Before Tax (PBT), reaching FRW 126.1 billion.

800,000+

customers trust BK Group's financial services.

BK Group & Subsidiary Executive Leadership

Dr. Uzziel Ndagijimana
CEO – BK Group

Dr. Diane Karusisi
CEO – Bank of Kigali

Alex N. Bahizi
Managing Director – BKGI

Deogratius Massawe
Managing Director –BK TecHouse

Ingrid Karangwayire
Executive Secretary – BK Foundation

Siongo Kisoso
Managing Director – BK Capital

BK Group Executive Team

Dr. Uzziel Ndagijimana
Chief Executive Officer

Jean A. Cliff Muligande
Chief Technology Officer

Nicholas Murimi
Chief Product Development Officer

Ange Ntiranyibagirwa
Head of Finance

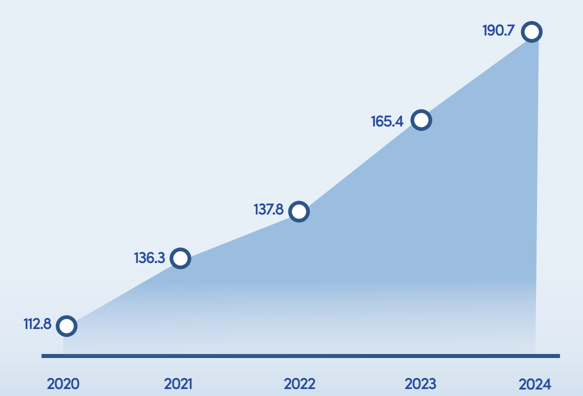
Hugues M. Kayigamba
Head of Investor Relations & Corporate Development

Key Financial Highlights

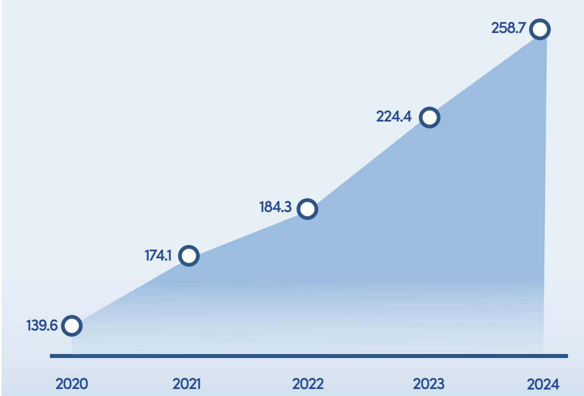
Beyond Numbers: Driving Impact, Creating Value

In 2024, BK Group reinforced its role as a catalyst for growth, delivering strong financial results while deepening its impact on businesses, communities, and Rwanda's economy. More than just numbers, our performance reflects trust, resilience, and a commitment to shaping a more inclusive financial future.

Net Interest Income (FRW Billion)



Total Operating Income (FRW Billion)



Net interest income rose 15.3% y-o-y to FRw 190.7 billion, driven by strategic lending that fueled entrepreneurship and economic expansion.

Net Loans To Clients

1,454.8 FRW Billion

Increase of 16.8% from 2023

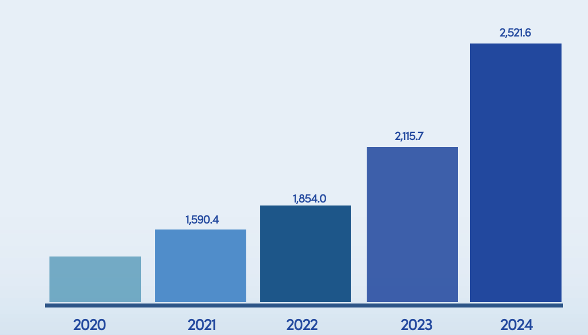
Client Balances and Deposits

1,641.8 FRW Billion

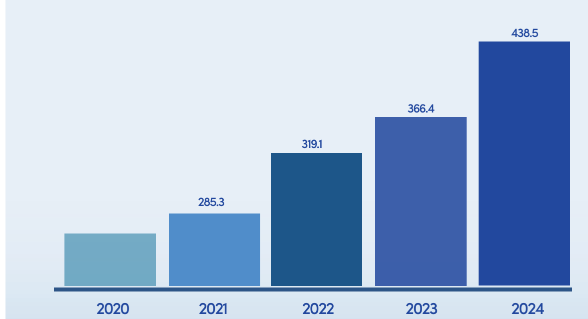
Increase of 19.5% YoY from 2023

Our net loan book grew by 16.8% to FRw 1,454 billion, ensuring access to capital for businesses and individuals. Meanwhile, customer deposits surged by 19.5% to FRw 1,641.8 billion, a testament to the confidence placed in BK Group as a financial partner.

Total Assets



Shareholders' Equity



BK Group remains well-capitalized, with total assets reaching FRw 2,521 Billion, growing 19.2% Year-on-Year, while shareholders' equity rose 19.7% to FRw 438.5 billion.

Business Highlights - 2024

BANK OF KIGALI
Financially transforming lives

- In 2024, Bank of Kigali Plc served 527,249 retail customers and 208,590 corporate clients.
- The Bank operated 67 branches, 103 ATMs, and 2,170 POS terminals that accepted major international cards, including VISA and MasterCard.
- The Agency Banking Network expanded to 5,054 active agents across the country by year-end.
- Retail client deposit balances reached RWF 383 billion as of December 31st, 2024.
- Corporate banking client deposit balances amounted to RWF 1,272 billion at the end of the year.

Clients Served
527,249 retail
208,590 corporate

Client Deposits
RWF 383 billion Retail Client
RWF 1,272 billion Corporate

Branch & ATMs
67 branches
103 ATMs

01

Agritech Growth
Farmer registrations grew
3M to 3.3M

Digital Users
Registered users grew
3.9M to 4.5M

Sales Growth
18% increase year-on-year

04

TECHOUSE
POWERING INNOVATION

- BK TecHouse achieved an 18% year-on-year growth in total sales, reaching RWF 1.7 billion in 2024.
- The number of registered digital users across all platforms increased from approximately 3.9 million to 4.5 million.
- The Urubuto Pay platform grew its merchant network from 458 to 597, with transaction value rising from RWF 35 billion to RWF 55 billion.
- The Urubuto Education School Management System expanded its footprint from 148 to 185 schools.
- Farmer registrations on BK TecHouse's agritech platforms increased from 3.0 million to 3.3 million during the year.

bk Foundation

Total Scholarships
506

BK Insurance
Safeguarding Your Wealth

- BK General Insurance recorded a 9.4% increase in gross written premiums, reaching RWF 16.0 billion in 2024.
- The insurer paid RWF 3.7 billion in claims during the year, resulting in a loss ratio of 33%.
- Net profit for the year rose by 41.1% to RWF 4.5 billion, compared to RWF 3.2 billion in 2023.
- Total assets stood at RWF 27.5 billion as of December 31st, 2024.
- Improved customer retention drove a 28.6% increase in active customers, reaching 22,900 by year-end.

02

Customer Growth
28.6% increase in active customers to 22,900

Net Profit
Up 41.1% to RWF 4.5 billion

Total Assets
RWF 27.5 billion

03

Operating Income
RWF 1.6 billion

Managed Accounts
136% Rose year-on-year

Aguka Trust fund
16% Increase to RWF 24.3 billion

BK Capital
making more possible

- BK Capital Ltd recorded a net operating income of RWF 1.6 billion in 2024, reflecting a 2% year-on-year increase.
- Assets Under Management (AUM) rose by 76% year-on-year to RWF 71.1 billion, driven by product expansion and new client acquisitions.
- The Aguka Unit Trust Fund reported a 16% growth in AUM, reaching RWF 24.3 billion.
- Managed account mandates saw AUM growth of 136% year-on-year, supported by rising pension contributions.
- Within the brokerage business, equities turnover grew by 51% year-on-year, while bonds turnover declined by 34% compared to 2023.

Trees Planted
25,000

Children beneficiaries of the National school feeding program - Dusangire Lunch
100,000

Dr. Diane Karusisi, Chief Executive Officer of Bank of Kigali

1. Bank of Kigali

a. Retail Banking: Empowering Everyday Aspirations

Empowering Everyday Aspirations Bank of Kigali is redefining retail banking in Rwanda with a diverse suite of financial solutions tailored to individuals and businesses. From consumer and auto loans to credit cards, overdrafts, mortgage financing, and asset-backed lending, BK addresses evolving needs with a focus on meaningful impact. This commitment to excellence drives economic transformation through strategic investments and customer-focused innovation.

279.2 FRW billion
Retail Loans

383.4 FRw billion
Retail Deposit

527,249
Retail Clients

Expanding Access Through Financial Inclusion

Bank of Kigali leads Rwanda's financial inclusion efforts with a robust network of 67 branches, 103 ATMs, and over 2,170 POS terminals. Our digital platforms : BK Mobile, BK Quick, and BK DigiBank have surged in adoption, enhancing convenience, security, and access for millions. By bridging gaps and simplifying banking, we're ensuring prosperity reaches every corner of Rwanda.

Home Equity: Unlocking New Possibilities

Unlocking New Possibilities Launched in 2022, the Home Equity Loan empowers customers to leverage property for homeownership, renovations, business growth, or education. Offering up to 70% financing of a property's value and repayment terms of up to 20 years, disbursements hit FRw 12.5 billion in 2023, with 2024 showing 155% year-on-year growth. This product remains a cornerstone of our retail offerings, unlocking financial security and opportunity.

Mortgage Banking: Building Foundations for Stability

Building Foundations for Stability Since establishing the Mortgage Center in 2022, BK has streamlined homeownership with expert advice, efficient processing, and strategic partnerships. In 2024, collaboration with the Development Bank of Rwanda (BRD) and MoUs with developers expanded affordable housing options for low- and middle-income families. Financial literacy events, staff training, and realtor partnerships—especially for diaspora and foreign investors—drove growth, with the mortgage for homeowners portfolio reaching FRw 138 billion by year-end, surpassing its FRw 136billion target. An NPL ratio of 2.6%, well below the industry's 3%, underscores our success in turning housing dreams into reality.

Diaspora Banking: Bridging Borders for Prosperity

BK's Diaspora Banking division connects Rwandans abroad to opportunities at home with tailored accounts in USD and FRw offering competitive rates, investment options via BK Capital, and discounted mortgages.

In 2024, the segment grew to 4,538 customers, adding 2,028 new accounts a 30% year-on-year rise. Deposits increased 21% to FRw 34 billion, and loans rose 110% to FRw 14 billion, strengthening BK's portfolio. Virtual sessions with MINAFFET and Rwandan embassies in January 2024 linked diaspora communities worldwide to financial prospects, while a promotion from November 2023 to January 2024 opened 505 accounts and mobilized FRw 0.61 billion in deposits. Bank of Kigali aims to enhance digital access and investment offerings, reinforcing its role as a financial lifeline for Rwandans globally

b. Corporate Banking: Fueling Business Growth

As Rwanda's premier corporate banking partner, Bank of Kigali serves 756 active businesses corporations, SMEs, and NGOs with solutions like CAPEX financing, commercial mortgages, and trade finance. In 2024, the corporate loan portfolio reached FRw 974 billion, with gross loans up 8% and deposits rising 7% to FRw 816.5 billion.

Key integrations with partners like I.H.S, Airtel, and MTN (29 completed) boosted demand deposits. Looking ahead, Bank of Kigali will deepen treasury solutions, introduce collateral management, and grow integrations to 37, ensuring businesses thrive.

c. SME Banking: Powering Entrepreneurial Success

SMEs are Rwanda's economic backbone, and Bank of Kigali's SME Center, launched in 2022, supports them with financing, advisory services, and capacity building. In 2024, SME loans grew to 14% of our portfolio, aided by AI-driven credit assessments and digital banking enhancements.

The NPL ratio dropped from 13.9% in Q2 to 7.6%, bolstered by a USD 10 million SIDA portfolio guarantee. Initiatives like KATAZA na Bank of Kigali, Medical Equipment products, and women-focused programs, including training for 66 women-owned businesses with PSF and USAID drove success.

Future plans include a Women Business Center and supply chain financing to reduce NPLs to 5%.

d. Agribusiness: Cultivating Economic Resilience

Bank of Kigali strengthens Rwanda's agricultural sector with financing for farmers and cooperatives.

A 2024 partnership with DFC secured a USD 40 million portfolio guarantee, while a USAID market assessment identified over 1,500 opportunities in potatoes, maize, and horticulture.

Looking forward, collaborations with IFAD and AfDB, plus digital lending with Emata and BK TecHouse, will enhance access and resilience for smallholder farmers.

e. Institutional Banking

Launched internally in 2024, this segment increased market share among international organizations from 19% to 25%, forging partnerships with Water for People, GIZ, and Water Equity.

Plans for 2025 include an official launch, growing market share to 30%, and integrating payments with top institutions, universities, and NGOs.

Building Our Brand: Amplifying Impact

Bank of Kigali's brand shines through partnerships like BK Arena, where the Prepaid Card recorded 132,379 transactions worth FRw 3.6 billion in 2024.

Youth campaigns, the Device Financing Program with MTN Rwanda (contributed 309,147 customers to get access to devices and retail loans by 54.37%), and university ties lifted our Net Promoter Score to 68, reflecting trust and engagement.

Enhancing Customer Experience

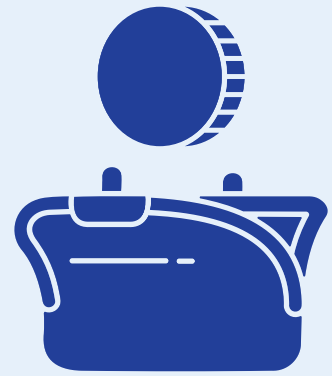
In 2024, 63% of retail customers onboarded digitally, with 25% active, driven by BK Pay, PAPPS, and Agent Float Financing. Data-driven personalization deepened our customer-centric approach, ensuring banking aligns with real needs.

Outlook: Shaping a Transformative Future

Bank of Kigali remains dedicated to innovation and leadership in Rwanda's financial sector, prioritizing:

- Digital expansion with self-account opening, virtual cards, and agency banking for diaspora clients.
- A Home Expo to showcase mortgage solutions and realtor ties.
- AI-driven automation for fraud detection and tailored services.

More than a bank, Bank of Kigali is a catalyst for progress, empowering Rwandans to turn dreams into reality. Every transaction and investment build a more inclusive, prosperous Rwanda where numbers tell stories of resilience and hope.



"In 2024, Bank of Kigali grew Institutional Banking market share from 19% to 25%, partnering with global changemakers like Water for People and GIZ. At BK Arena, our Prepaid Card powered 132,379 transactions worth FRw 3.6 billion. With digital onboarding at 63%, a Net Promoter Score of 68, Bank of Kigali is more than a bank, we're a driver of Rwanda's progress."

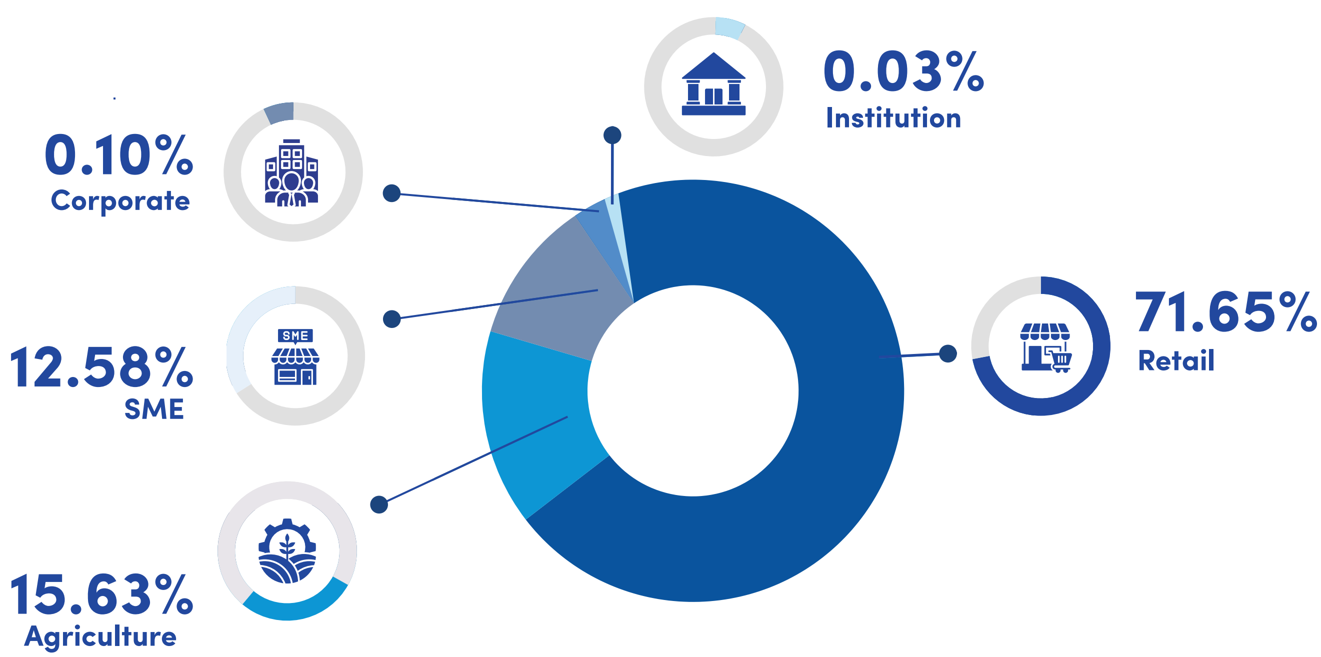
Gross Loan Portfolio Breakdown

Loans & Advances	Dec-24 FRw	Dec-23 FRw	% Change
Corporate	974,001,006	883,061,016	10.3%
SMEs	207,402,671	207,839,499	-0.2%
Retail	276,458,781	203,201,019	36.1%
Agriculture	62,687,785	42,355,288	48.0%
Institutional Banking	1,966,664	-	0%
Total	**1,522,516,906**	**1,336,456,821**	**13.9%**

Customer Deposits Breakdown

Customer Deposits	Dec-24 FRw	Dec-23 FRw	% Change
Agriculture	37,347,589	22,951,794	63%
Retail	383,445,562	310,541,325	23%
Corporate	816,509,325	764,576,246	7%
Institutional Banking	156,866,468		0%
SMEs	261,568,823	289,222,437	-10%
Total	**1,655,737,767**	**1,387,291,803**	**19.4%**

Number of customers per segment



2. BK General Insurance

An innovative insurance provider in Rwanda

Since its inception in 2016, BK General Insurance (BKGI) has been a cornerstone of BK Group's mission to foster prosperity through innovative, high-quality insurance solutions. Serving Rwanda and beyond, BKGI offers a comprehensive range of non-life insurance products spanning automotive, agriculture, property, aviation, transport, bonds, engineering, technological assets, personal assets, and group accident coverage.

These offerings are tailored to meet the evolving needs of our stakeholders, ensuring protection and peace of mind in an ever-changing world. With a customer-centric approach and a commitment to excellence, BKGI stands as one of Rwanda's most trusted insurance providers, delivering value that transcends financial security.

Expanding Reach and Impact

In 2024, BKGI strengthened its nationwide presence, growing its agency network from 118 agents in 2023 to 126. This expansion boosted gross written premium (GWP) from agents, rising from 26% to 29% of total GWP, with a focus on agricultural products like crop and livestock insurance. BKGI has a diverse customer base that spans individuals, SMEs, large companies, and governmental entities. Since its creation, BKGI has supported more than 56,000 clients, serving over 20,000 in 2024 alone.

As the first insurance partner for the agriculture sector, BKGI prioritizes farmers, aligning with BK Group's broader goal of financial inclusion by empowering rural communities with vital risk protection. Direct business remains our largest and most stable channel, while core products motor (60% of GWP, 51% of gross margin), fire, and agriculture continue to drive profitability and resilience.

2024 in Review: Prosperity Through Performance

Despite challenges like persistent inflation, geopolitical tensions, and rising competition, 2024 was a landmark year for BKGI. Gross written premium soared to FRw 16.0 billion, up from FRw 14.7 billion in 2023, while net profit climbed to FRw 4.5 billion from FRw 3.2 billion. Our disciplined risk management delivered a historically low claims ratio of 33% (down from 42% in 2023) and a 49.3% surge in underwriting profit. Investment revenues grew to FRw 2.3 billion, despite constrained cash remittances, showcasing our ability to balance diverse income streams. For shareholders, we maintained a robust return on equity of 25% with an equivalent payout ratio, reinforcing our commitment to shared prosperity.

Innovating for the Future

BKGI's success stems from its innovative product redesigns and unwavering focus on exceptional customer service. Highly profitable offerings like motor, fire, and engineering insurance underscore our ability to adapt and thrive. Bancassurance, a steady contributor, is poised for growth by the end of 2025, fueled by strategic initiatives currently underway. As we expand our agent network and refine our offerings, BKGI remains dedicated to protecting what matters most to our customers—turning insurance into a tool for prosperity, stability, and growth.

BK Insurance complied with Key Prudential Ratios in 2024 as follows:

33%
Claims Ratio

25%
Expense Ratio

25%
Return on Equity

324%
Solvency Margin Ratio

"Since 2016, BK General Insurance has safeguarded over 22,000 lives and livelihoods with innovative non-life insurance across Rwanda. In 2024, Gross written premium (GWP) hit FRw 16.0 billion, net profit rose to FRw 4.5 billion, and our claims ratio dropped to a record low of 33%. With trusted coverage in motor, fire, and agriculture, and a growing agent network, BKGI continues to turn insurance into a powerful driver of prosperity and resilience."

3. BK TecHouse

Pioneering Technology for Prosperity

Since its establishment in 2016 as a BK Group subsidiary, BK TecHouse has emerged as a trailblazer in Rwanda's digital and financial services landscape. Renowned for its innovative platforms, BK TecHouse delivers solutions across EdTech, AgriTech, Retail, FinTech, Internet of Things (IoT), and broadband connectivity (fiber optic and 4G LTE).

Serving a diverse clientele enterprises, educational institutions, residences, government agencies, and commercial entities the company enhances everyday experiences with holistic, technology-driven offerings. From bolstering enterprise security to transforming education and agriculture, BK TecHouse ensures robust protection through enterprise-grade cybersecurity and compliance with standards like PCI DSS and ISO certifications (ISO 27001 and 9001, achieved in 2023).

By expanding BK Group's reach through connectivity, digitalization, automation, and data insights, BK TecHouse is a vital force in fostering prosperity beyond numbers.

Spearheading Financial Inclusion

Aligned with Rwanda's national push for financial inclusion, BK TecHouse leads the charge in creating a digital ecosystem that empowers individuals and businesses.

Its flagship platform, UrubutoPay a universal payment gateway—has become a cornerstone of this mission, offering seamless, secure transactions.

In 2024, BK TecHouse's resilience shone through global economic challenges, achieving a 21% revenue improvement, building on its 22% increase in 2023.

Broadband sales accounted for 50% of total sales, digital services rose to 45%, and IoT contributed 5% .

Digital sales revenue surged by41% year-on-year, reflecting a strategic focus on digital expansion.

By year-end, BK TecHouse reached 4.6 million digital users across its platforms, a 9.5% increase from 2023's 4.2 million, reinforcing its role in driving financial access and user trust.

Education: Empowering Learning Communities

In EdTech, the Urubuto Education System stands out as a comprehensive school management platform, connecting administrators, teachers, students, and parents. With features like academic tracking, attendance monitoring, and tuition collection via UrubutoPay, it streamlines education delivery.

In 2024, Urubuto onboarded 37 new schools, up from 30 in 2023, and transaction value grew to FRw 55 billion a 57% year-on-year increase from FRw 26.7 billion.

The Teacher's Mobile Application, launched in 2023, continued to enhance school management in 2024 with updates for timetable management and parent communication, solidifying its impact on educational prosperity.

"BK TecHouse is driving Rwanda's digital future, **serving 4.5 million** users with smart EdTech, FinTech, IoT, and broadband solutions. In 2024, it turned innovation into inclusion, security, and real impact."

Customer Appreciation visit by Deogratias Massawe - BK TecHouse CEO (pictured in the middle)

FinTech: Transforming Transactions

Since securing a Payment Service Provider license in 2021, BK TecHouse has elevated UrubutoPay into a versatile payment gateway. In 2024, the platform expanded with 597 new merchants and partnerships with entities like MINIJUST, Bank of Africa, and BK Capital. Enhancements such as USD payments, bulk payment options, and e-commerce plug-ins boosted its reach across retail, entertainment, and governance sectors. Integration with MTN Mobile Money, Airtel Money, and financial institutions like Bank of Kigali ensured broad accessibility.

Maintaining PCI DSS compliance, UrubutoPay processed transactions securely, growing its user base and reinforcing BK TecHouse's FinTech leadership.

Agriculture: Cultivating Resilience

The Smart Nkunganire System (SNS), a public-private partnership with the Rwanda Agriculture and Animal Resources Development Board (RAB), digitizes the agricultural subsidy supply chain. With 3.3 million registered farmers, 1,959 agro-dealers, and 40 agro-input suppliers in 2024, SNS facilitated orders of 87,627 metric tons of agro-inputs, with transactions reaching FRw 61.3 billion [2023: FRw 85.0B]. The Smart Kungahara System (SKS) for coffee grew to 396,216 farmers and 299 washing stations, tracking 214.3 million coffee trees, and remains National Agriculture Export Development Board (NAEB) mandated platform for input distribution.

Retail: Streamlining Community Services

Kiliziya Yacu, developed with the Catholic Church (Butare Diocese), digitizes church operations, managing members, payments, and communication. In 2024, the pilot expanded to 34 parishes nationwide, up from 26, with 208,298 members onboarded.

2024 in Review: Delivering Prosperity

BK TecHouse's 2024 performance reflects its strategic pillars: fortifying digital platforms, broadening products, and enhancing technology. New Digital Financial Services (DFS) products—School Fees Loan, Aguka Fund, Micro Insurance, and Coffee Washing Station Loan—launched successfully, catering to diverse needs. With a focus on cross-selling within BK Group and partnerships with industry stakeholders, BK TecHouse solidified its role as the group's FinTech arm, driving prosperity through innovation and scale.

Outlook: Innovating for Tomorrow

Looking ahead, BK TecHouse aims to grow its digital user base to 5.0 million by 2025], leveraging marketing and new DFS offerings. By optimizing service quality, pricing, and market reach, the company is poised to remain a leader in Rwanda's digital transformation, delivering solutions that empower communities and fuel sustainable growth.

"BK TecHouse advanced Rwanda's digital economy, scaling UrubutoPay with new partners, expanding digital agriculture through SNS and SKS, and growing church digitization via Kiliziya Yacu. As BK Group's FinTech engine, it's driving inclusive innovation, from farms to finance."

4. BK Capital

Empowering Wealth and Growth

Originally launched in 2012 as BK Group's securities brokerage arm, BK Capital has evolved into a full-fledged investment bank, delivering tailored financial solutions that drive prosperity for clients and stakeholders. Leveraging a team with deep expertise and a proven track record, BK Capital offers insights and strategies designed to maximize returns and create lasting value. From wealth management to corporate advisory, BK Capital empowers individuals, businesses, and institutions to thrive in Rwanda's dynamic financial landscape, contributing to BK Group's mission of banking for prosperity beyond numbers.

Investment and Wealth Management

BK Capital's Investment and Wealth Management division provides access to a diverse portfolio of investment products and global opportunities across multiple asset classes. With competitive pricing, a transparent fee structure, and a robust risk management approach, the division ensures seamless execution and settlement for its growing client base. Serving affluent individuals, pension funds, trust funds, and clients seeking transactional, advisory, or discretionary services, BK Capital maintains strict compliance with regulatory standards.

In 2024, assets under management reached FRw 73.4 billion, up from FRw 41.8 billion in 2023 a 76 % year-on-year increase reflecting sustained trust in BK Capital's ability to deliver returns and expand its reach amid evolving market conditions.

Securities Brokerage and Global Trading

As a licensed market intermediary and depository participant, BK Capital leverages an extensive network of regional and global partnerships to provide securities brokerage and market research services. Its research team delivers in-depth reports, offering macroeconomic insights and equity analyses of publicly listed companies, cementing BK Capital's position as Rwanda's leading licensed stockbroker. In 2024, total turnover for equities was FRw 27.2 billion and for bonds FRw 61.4 billion, the division's research offerings continued to gain traction, supporting informed investment decisions.

Corporate Finance Advisory

The Corporate Finance and Advisory Services division specializes in structured products and alternative financing solutions, covering capital budgeting, financial restructuring, valuations, and deal advisory in mergers and acquisitions (M&A), equity, and debt capital markets.

In 2024, BK Capital built on its 2023 milestone Rwanda's inaugural Sustainability-Linked Bond (SLB), was awarded "ESG Bond of the Year" at the 2024 Bonds, Loans, and ESG Capital Markets Africa Awards by further advancing innovative financing solutions that align profitability with social and environmental impact, reinforcing its role in sustainable prosperity.

2024 in Review: Resilience and Impact

Navigating persistent economic uncertainty in 2024, BK Capital demonstrated adaptability and strength. The Investment and Wealth Management division sustained its growth trajectory, while the Securities Brokerage division adapted to shifting market dynamics, enhancing its research capabilities. The Corporate Finance Advisory division continued to pioneer impactful transactions, building on the SLB success.

Together, these efforts delivered 4% total income growth, underscoring BK Capital's ability to generate value for clients and shareholders while contributing to Rwanda's economic transformation.

Outlook: Building a Prosperous Future

Looking ahead, BK Capital is poised to seize emerging opportunities in 2025 with a clear strategy focused on sustainable growth. By enhancing its investment offerings, deepening market research, and expanding innovative financing solutions, the division aims to further empower clients and strengthen BK Group's financial ecosystem. Committed to navigating market shifts with agility, BK Capital will continue to deliver prosperity that transcends financial returns, fostering wealth, resilience, and progress for all stakeholders.

At the unveiling of Tekana - a Personal Pension Scheme by BK Capital

5. BK Foundation

Catalyzing Prosperity Through Impact

Launched in January 2023, the BK Foundation embodies BK Group's commitment to driving positive change across Rwanda. Rooted in the belief that purposeful investment sparks transformation, the Foundation has quickly established itself as a pillar of philanthropy, aligning with Rwanda's National Strategy for Transformation (NST 2050), The Africa We Want 2063 Goals, and the Sustainable Development Goals (SDGs). Focusing on education, innovation, and environmental conservation, BK Foundation delivers evidence-based funding and fosters collaboration with partners to create measurable impact. As a common benefit foundation, it provides grants to national and local NGOs, amplifying prosperity that extends beyond financial contributions to uplift Rwandan communities.

Early Childhood Development & Family (ECD&F)

The Early Childhood Development and Family (ECD&F) program transforms young lives by addressing infrastructure and systemic gaps, ensuring equitable opportunities for growth and well-being. In Bugesera District's Nyarugenge and Juru sectors, BK Foundation is constructing two ECD&F centers to offer safe, inclusive spaces for 166 children .

These centers integrate health, education, nutrition, hygiene, and positive parenting, with 14 caregivers including men, women, and persons with disabilities—trained to foster social, emotional, and intellectual development.

Water access facilities with large-capacity tanks enhance hygiene and health outcomes, serving families. Outreach, parental education, and community workshops aim to benefit additional children, prioritizing gender equity and inclusion for children with disabilities, building resilient foundations for lifelong learning.

Scholarship Program

BK Foundation shapes Rwanda's future by investing in education that empowers youth for employment and innovation. Its scholarship program, focusing on TVET and STEM, awarded 235 and 224 scholarships in TVET and STEM respectively in 2024. By equipping students with practical and technical skills, the Foundation fosters inclusive economic growth, enhancing workforce diversity and national resilience. These investments uplift families and communities, reflecting BK Foundation's mission to drive prosperity through education.

Financial Literacy and Entrepreneurship Program

The Financial Literacy and Entrepreneurship Program equips Rwandans with tools for financial resilience and independence. The Money Makeover Challenge engaged participants, offering hands-on training in budgeting, saving, and investing, sparking community leadership.

The BK Urumuri 8th Edition, in partnership with Inkomoko, supported women entrepreneurs with training, mentorship, and interest-free loans, generating jobs .

School Nutrition and Feeding Program

In collaboration with the Ministry of Education, BK Group through BK Foundation contributed to the Rwandan national school feeding program, by supporting the feeding of 100,000 primary school studetns for one year. This program improves attendance and performance, promotes nutrition awareness across communities, reinforcing BK Foundation's commitment to educational prosperity and well-being.

Small and Medium Enterprises (SMEs)

The 8th BK Urumuri Program, with Inkomoko, empowered women entrepreneurs in agribusiness and eco-friendly solutions. Through six months of acceleration, mentorship, and interest-free loans, participants created jobs, driving economic and environmental progress.

Job Creation and Economic Empowerment

BK Foundation's job creation initiatives generated 506 employment opportunities, with 56 % for women and 14% persons with disabilities. These efforts enhanced incomes and resilience, fostering inclusive economic stability across communities.

During the Money Makeover Challenge – a financial Literacy Program sponsored by BK Foundation

Agroforestry and Fruit Tree Planting

Partnering with REDO in Kayonza District, BK Foundation planted 25,000 agroforestry and fruit trees in Gahini Sector during umuganda, rehabilitating hectares of degraded land. This initiative boosts soil fertility and climate resilience, benefiting the residents of the region.

Clean and Renewable Energy Solution Program

With Energy Private Developers (EPD), BK Foundation provided solar systems and cookstoves to 141 households, improving lighting and reducing pollution for those households. Serving families with study spaces, it promotes sustainability and health.

2024 in Review: Sustaining Impact

In 2024, BK Foundation advanced its Environmental and Social Governance (ESG) focus, through capacity building, inclusion, and heritage preservation.

Outlook: A Legacy of Change

Looking to 2025, BK Foundation will deepen its impact in education, entrepreneurship, and sustainability. By strengthening partnerships and expanding programs, it will continue to build a Rwanda where every community thrives.

Our Approach to ESG

Our Approach to ESG

Our Stakeholders

Our Stakeholders

BK Group recognizes sustainability as a cornerstone of its operations, weaving it into the fabric of its mission to deliver prosperity that transcends financial success. By aligning with global and regional benchmarks such as the African Union Agenda 2063, the UN Global Compact's 10 Principles, and the United Nations' Sustainable Development Goals (SDGs) the Group creates shared value for stakeholders through its financial services.

In 2024, BK Group's leadership took decisive steps to strengthen these efforts, overseeing the development of robust frameworks to guide its expanding sustainability initiatives. As a leading financial institution in Rwanda, BK Group embraces its responsibility to set a transformative example, crafting models that empower communities, enhance returns across established and emerging sectors, and pave the way for a resilient, inclusive future.

Stakeholder Mapping

At the heart of BK Group's mission is ensuring accessibility and tailoring our products, services, programs, and initiatives to meet the needs of our diverse client base. The Group is committed to serving all its stakeholders, including beneficiaries, business partners, governmental entities, and anyone directly or indirectly tied to the Group's financial and non-financial operations.

To achieve this, BK Group leverages its extensive network and draws on its proven expertise to find the best means of serving each group and improving the value presented to them through our operations.

A central pillar to building strong relationships with stakeholders is through regular interactions and gathering insights into their interests and expectations. Highly trained teams are in regular communication with different groups to identify avenues for improvement, growth, and development. By acknowledging and monitoring stakeholders' concerns and collaborating with varied partners to reduce their exposure to risks and mitigate any harmful events, the Group is able to build lasting trust.

BK Group's dedication to transparency, clear communication, and seeking optimum returns for each group has helped to inspire confidence among its stakeholders. As a people-centric institution, BK Group is committed to continuing to find ways to improve, grow, and develop in a manner that meets the needs of all its stakeholders. By remaining focused on its mission, the Group is well-positioned to continue providing value to its clients and beneficiaries.

"At the heart of BK Group's mission is people, ensuring accessibility, fostering trust, and delivering value to every stakeholder through transparency, collaboration, and continuous improvement ."

Stakeholder	Viewpoint	Relevant Topics	Comms Channels	Frequency
Customers	The largest source of our deposits and a main source of revenue growth	Sustainable banking practices and lending activities, superior customer experience, world-class governance, risk management	Regular digital and written communication	As needed
Employees	A core pillar of the Group's operations and a key group within the national community that we work to serve	Empowered and wellcompensated workforce, material contributors to respective communities, efficient groups and integral facilitators of value creation solutions	Regular digital and written communication	As needed
Investors	Initial providers of financial capital and reviewers of the Group's financial performance and evolving strategy	Transparent and timely financial and operational disclosures, robust governance frameworks and applications	Investor calls	Quarterly
			Investor conferences	Minimum 2/year
			Regular digital and written communication	As needed
			Investor relations section on the Group'swebsite	Regularly updated as needed
Regulators & policy makers	Determined by our listing on the Rwanda Stock Exchange (RSE) and the Nairobi Stock Exchange (NSE)	Transparent and timely financial and operational disclosures and other mandates as required by each authority, public policy implementation	Financial Earnings	Quarterly

Material Matters

Navigating Challenges, Driving Prosperity

BK Group's pursuit of prosperity in 2024 is shaped by material matters, critical issues that influence our ability to deliver value to stakeholders while advancing Rwanda's economic and social landscape. These matters, identified through ongoing engagement with clients, partners, employees, and communities, reflect the opportunities and challenges that define our strategic priorities. Rooted in our commitment to accessibility, innovation, and sustainability, we address these issues to ensure enduring impact beyond financial returns.

Material Matter	Context	Impact	Response	Why It Matters	Stakeholders Impacted	Capital Impacted
Financial Inclusion and Accessibility	Expanding access aligns with Rwanda's National Strategy for Transformation and global SDGs.	Bank of Kigali served 527,249 retail customers with FRw 276.4 B loans, FRw 383.4 B deposits; BK TecHouse reached 4.5M users; BK Foundation empowered 2,500 beneficiaries through the Financial Literacy and Entrepreneurship Program	Enhanced digital platforms (63% retail onboarding digital) and launched BK Urumuri for underserved groups.	Inclusive access drives economic empowerment, fostering prosperity for all Rwandans	Clients (retail, SMEs, diaspora), Communities, NGOs	Financial (loans/ deposits), Social (inclusion)
Economic Resilience Amid Volatility	Inflation, geopolitical tensions, and market fluctuations challenged stability in 2024.	BKGI achieved 41.1% net profit growth, 33% claims ratio.	Diversified revenue and risk management ensured stability.	Robust operations safeguard stakeholder value, enabling sustained growth in uncertain times.	Shareholders, Clients (corporate, SMEs), Partners	Financial (loans/ deposits), Social (inclusion)
Robust operations safeguard stakeholder value, enabling sustained growth in uncertain times.	Aligns with AU Agenda 2063, UNGC principles, and SDGs as a strategic imperative.	BK Foundation planted 25,000 trees , powered 141 households ; BK Capital's Sustainability-Linked Bond launched in 2023 set ESG precedent; SME loans at 14% of portfolio.	Developed ESG frameworks; advanced WASH and agroforestry.	Sustainable practices enhance environmental and social outcomes, building a resilient future.	Communities, Government, Clients (SMEs), Partners	Natural (environment), Social (community well-being)

Material Matter	Context	Impact	Response	Why It Matters	Stakeholders Impacted	Capital Impacted
Innovation & Digital transformation	Rapid technological shifts demand innovative solutions for stakeholder needs.	Innovation drives accessibility and competi+D6tiveness, unlocking prosperity through technology.	Launched Digital Financial Services products (e.g., School Fees Loan - Tuza na BK) and AI-driven credit assessments for efficiency.	Innovation drives accessibility and competitiveness, unlocking prosperity through technology.	Clients (farmers, diaspora), Employees, Partners	Financial (loans/ deposits), Social (inclusion)
Stakeholder Trust and Engagement	Building lasting relationships is foundational to success.	Bank of Kigali's NPS is at 68 with 735,839 customers; BK Foundation engaged 2,500 students through the literacy boost program; BKGI served 22,900 customers.	Ensured transparency and risk mitigation across subsidiaries.	Trust ensures stakeholder loyalty, amplifying impact and value creation.	Clients (all segments), Employees, Shareholders	Social (relationships), Financial (trust-driven growth)
Workforce Development and Inclusion	A skilled, diverse workforce is essential to delivering promises.	BK Foundation supported 459 students through scholarship, 64% women; BK Foundation trained 30 ESG champions and 468 staff in Disability Awareness, fostering inclusion and sustainability	506 New Jobs Created Through Innovation Pillar Initiatives, prioritizing inclusion.	An empowered workforce drives innovation and reflects equitable prosperity.	Employees, Communities (youth, women), Clients	Human (skills, diversity), Social (inclusion)

2024 in Focus: Turning Challenges into Opportunities

In 2024, BK Group addressed these material matters with agility and purpose, achieving 15.8% increase in total interest income and Shareholders' Equity increased by 19.7% YOY to RWF 438.5 billion. By balancing economic resilience with social and environmental impact, we transformed challenges into pathways for growth, reinforcing our role as a leader in Rwanda's financial ecosystem.

Looking Ahead

As we move into 2025, BK Group will deepen its focus on these priorities, targeting additional beneficiaries and increasing its digital penetration. Through strategic investments and partnerships, we aim to amplify prosperity, ensuring every action contributes to a thriving, inclusive Rwanda.

Capital

Harnessing Resources for Prosperity

BK Group's ability to deliver sustainable value in 2024 rests on the strategic management of our capitals; financial, human, manufactured, social and relationship, and natural. These resources fuel our operations, empower our stakeholders, and advance Rwanda's economic and social progress. By optimizing inputs and amplifying outcomes, we ensure that prosperity extends beyond financial metrics to enrich communities, employees, and the environment.

Financial Capital

Our robust financial foundation sustains operations, drives growth, and enhances service offerings. This stability enables BK Group to expand its reach, invest in sustainable initiatives, and pursue cost efficiencies, delivering strong returns for shareholders while creating value for clients.

Inputs	Outcomes	Implicated Stakeholders
Solid financial capital, reinvested to fuel innovation and accessibility across subsidiaries.	• FRw 91billion in consolidated net income • FRw 2,521.6 billion total assets • FRw 1.5 trillion total client balances and deposits • FRw 438.5 billion shareholders' equity • ROAE – 22.6 % • ROAA – 3.9 % • NPLs – 3.2 % • Cost/income ratio – 38.1 %	Shareholders Customers

Turning Challenges into Opportunities

In 2024, BK Group transformed headwinds into growth — achieving a 15.8% growth in interest income and a 19.7% increase in Shareholders' Equity. With resilience, purpose, and strategic capital management, we reinforced our leadership in Rwanda's financial sector while driving inclusive, sustainable prosperity.

Human Capital

Our 1,715 employees are the heartbeat of BK Group, driving our vision to be Rwanda's universal financial services provider of choice. By fostering a diverse, skilled workforce through comprehensive training and equitable opportunities, we enhance service delivery and customer experience, building a resilient team that reflects our commitment to prosperity.

Inputs	Outcomes	Implicated Stakeholders
A workforce attuned to Rwandan needs, supported by a culture of innovation, fair compensation, and capacity building.	• 44% women, with 33% in management roles • Nearly 50% under 35 years old 89% retention rate, 9% turnover (13% under 30, 8% for 30–50) • Extensive learning programs (classroom training, seminars, international courses) to help employees become eligible for higher roles. The Group provides a variety of learning opportunities, including classroom training, professional courses, seminars, and workshops, both locally and internationally, to help its employees.	Staff Board of Directors

Manufactured Capital

BK Group's efficient, secure channels and systems benchmarked against global standards facilitate seamless client interactions. As our footprint grows, we invest in physical and digital infrastructure to boost accessibility and handle increased demand, ensuring prosperity through reliable service delivery.

Inputs	Outcomes	Implicated Stakeholders
A four-sided retail strategy expanding self-service, distribution networks, and product offerings to underserved segments	As of 2024, the Group was home to: • 67 branches • 103 ATMs • 2,170 points of sale • 5,054 active agents	Customers

Social and Relationship Capital

Our success hinges on strong, transparent relationships with stakeholders. Through collaborative partnerships and impactful social programs, BK Group creates mutual value, empowering communities in education, health, and economic inclusion, and reinforcing trust that drives prosperity.

Inputs	Outcomes	Implicated Stakeholders
Education and community support programs with local and international partners	Through BK Foundation, the following program were put in place in 2024: • ECD&F program reached 1,282 children, including those with disabilities, ensuring access to safe and nurturing learning environments. • 459 scholarships were awarded in TVET and STEM fields, empowering young learners to thrive in an increasingly dynamic world. • BK Urumuri Program supported 25 women entrepreneurs, equipping them with business training and mentorship. • 2,500 students participated in the Literacy Boost Program • The Dusangire Lunch School Feeding Program reached 100,000 children	Employees Community members

Natural Capital

As an environmentally conscious organization, BK Group aligns with SDG 13 (Climate Action), reducing our ecological footprint through digitization and resource efficiency. We support nationwide green initiatives, enhancing biodiversity and community livelihoods for a sustainable future.

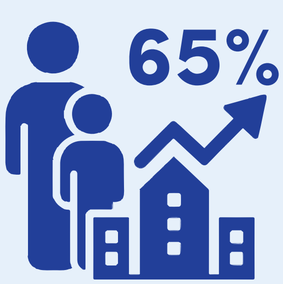
Inputs	Outcomes	Implicated Stakeholders
To minimize our environmental impact and reduce greenhouse gas (GHG) emissions, we have implemented measures such as energy conservation, smart utilization of resources, and efficient waste disposal throughout our operations	Switched to LED lighting across several areas of operation. • Reduced paper usage due to increased digitization. • Set up systems to lower our electricity use across our head office and branches. • Disposed of all e-waste in line with local regulations.	Governmental and non-governmental entities
Our organization provides funding to official programs that promote agroforestry, biodiversity, and improving the livelihoods of farmers. In addition, we actively support and empower green initiatives across the country.	• In collaboration with REDO, BK Foundation is championing sustainable environmental practices through agroforestry and tree-planting initiatives • In Gahini Sector, residents united during umuganda to plant thousands of agroforestry and fruit trees, restoring green cover, improving soil fertility, and strengthening resilience against climate change.	Governmental and non-governmental entities

Our Environment

Thriving Amid a Dynamic Landscape

BK Group's pursuit of prosperity in 2024 unfolds against a dynamic external landscape that influences Rwanda's economic and social trajectory. While "Material Matters" outlines our strategic responses to critical challenges, this section explores the broader socioeconomic, macroeconomic, geopolitical, and environmental forces defining our operating environment. These trends beyond our direct control set the stage for our actions, offering opportunities to leverage and risks to navigate. By understanding this context, we position ourselves to thrive, delivering value that aligns with Rwanda's vision and global shifts.

Socioeconomic Trends



Rwanda's youthful population (over 65% under 30) and rapid urbanization fuel demand for jobs, education, and financial access, aligning with NST 2050's social equity goals. Income inequality persists, with the a percentage of low income families in rural areas.

A growing, aspirational demographic drives consumption but pressures infrastructure and services, shaping demand for BK Group's offerings.

Stakeholders: Communities (youth, rural), Government, Regional Partners.

Our response, expanding digital platforms and supporting students via BK Foundation ensures we meet these evolving needs, fostering prosperity across generations.

Macroeconomic Conditions

In 2024, Rwanda demonstrated remarkable economic resilience and momentum. GDP growth accelerated to 8.9%, underscoring strong domestic demand and investment activity, and is projected to remain robust at 7.0% in 2025. Inflation pressures eased significantly, with headline inflation falling to 4.8% from 14.0% in 2023, reflecting effective monetary policy management; inflation is projected at a contained 6.5% in 2025. Currency dynamics also showed improvement — while the Rwandan Franc depreciated against the US dollar by 9.42%, this marks a substantial recovery compared to an 18% decline the previous year.

Stakeholders: Shareholders, Clients (corporate, retail), Government.

Strategic diversification and efficiency measures (e.g., 42.8% cost/income ratio) position us to thrive amid uncertainty.

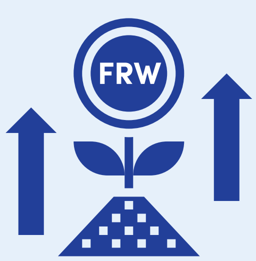
Geopolitical Dynamics

- Global tensions (e.g., Ukraine conflict, US-China rivalry) disrupted trade. Rwanda's EAC integration expanded, with intra-regional trade targeting to increase intra-EAC trade to 40% by 2030
- Shifts in investment flows and diaspora remittances affect BK Group's cross-border opportunities. Climate-related migration and regional stability challenges appear.

Stakeholders: Clients (diaspora), Government, International Partners.

By enhancing cross-border offerings and leveraging partnerships, we capitalize on Rwanda's strategic East African position, ensuring stability for stakeholders.

Environmental Challenges



Climate change intensified, with Rwanda facing more erratic rainfall.

Resource scarcity and agricultural risks heighten the need for sustainable solutions in BK Group's markets.

Global CO2 emissions hit 41.6 billion metric tons according to Reuters, pushing SDG 13 urgency, with Africa contributing 3.9% based on Statista.

Stakeholders: Communities (farmers), Government, NGOs.

BK Group responded with 25,000 trees planted and 141 households powered by solar, reducing environmental impact while supporting livelihoods. These efforts, alongside green financing such as BK Capital's SLB, align with national goals, enhancing community resilience.

2024 in Focus: Adapting to Our Environment

In 2024, these environmental forces tested Rwanda's resilience, with socioeconomic growth driving new households into the financial system and macroeconomic pressures impacting customer spending power.

Geopolitical shifts bolstered diaspora inflows, while environmental changes underscored the need for green innovation, affecting rural livelihoods.

Despite those challenges, BK Group achieved an increased by 19.7% YTD to RWF 438.5 billion in shareholders' equity, balancing economic pressures with social and environmental progress.

Our agility evident in 57% of our customer base being onboarded digitally and 506 jobs created transformed external challenges into opportunities, reinforcing prosperity for Rwanda.

Looking Ahead

As we enter 2025, BK Group anticipates a rise in youth-driven demand, continuous macroeconomic stability, and heightened regional opportunities via EAC trade. Environmental pressures will push us toward more sustainable practices, ensuring we align with Rwanda's evolving context and global trends.

Social Development

Building Stronger Communities for Prosperity

BK Group's commitment to social development in 2024 underscores our belief that true prosperity flourishes when communities are empowered, educated, and resilient. Beyond delivering financial services, we invest in initiatives that address Rwanda's social priorities, aligning with the National Strategy for Transformation (NST 2050) and Sustainable Development Goals (SDGs). Through efforts in education, economic empowerment, health, and community resilience, we uplift lives and strengthen Rwanda's social fabric, creating lasting value for stakeholders. Here's how we advanced social progress in 2024.

Education and Skills Development

Education lays the foundation for Rwanda's future. By equipping youth and employees with skills, we foster a capable, innovative society ready to drive prosperity.

- **Context:** Addressing literacy and skill gaps supports Rwanda's human capital goals (SDG 4), preparing a workforce for economic growth.
- **Impact:** BK Foundation empowered 459 students through scholarships, while 200 youth gained TVET/STEM skills; Bank of Kigali's trained staff boosted customer satisfaction (NPS 68).
- **Response:** Delivered scholarships and hosted the Career Summit to bridge education and employment.

Stakeholders: Communities (youth, women), Employees, Government.

Economic Empowerment

Economic inclusion transforms lives and reduces inequality. By supporting entrepreneurs and small businesses, we spark growth that ripples through communities.

- **Context:** Reducing poverty and inequality (SDG 1, 10) drives inclusive prosperity, particularly for women and youth.
- **Impact:** BK Urumuri uplifted 25 women entrepreneurs creating 506 jobs; SMEs were financed, with 14% of the loan's portfolio attributed to SMEs.
- **Response:** Provided mentorship and interest-free loans to women, alongside SME loans, fostering entrepreneurship and economic stability.

Stakeholders: Clients (SMEs, women), Communities, Partners.

Health and Well-being

Healthy communities are productive communities. Our investments in nutrition and hygiene enhance quality of life and support long-term development.

- **Context:** Improving access to health resources (SDG 3) boosts community vitality and educational outcomes.
- **Impact:** "Dusangire Lunch" insured 100,000 children received nutritious meals daily, improving attendance.
- **Response:** Supplied daily meals to children

Stakeholders: Communities (children, families), Government.

Community Resilience

Resilient communities thrive through challenges. By strengthening social support and financial literacy, we empower individuals to build sustainable futures.

- **Context:** Enhancing social cohesion (SDG 11) fosters recovery and growth for vulnerable groups.
- **Impact:** 2,500 beneficiaries gained skills via the BK Foundation's Financial Literacy Program such as the Money Makeover Challenge.
- **Response:** Empowered with economic and life skills, boosting resilience.

Stakeholders: Communities (vulnerable groups), NGOs.

2024 in Focus: Social Impact at Scale

In 2024, BK Group's social development initiatives touched numerous beneficiaries from different walks of life. We continue to advance education, empowerment, and health initiatives, aligning with Rwanda's social aspirations and reinforcing prosperity for all.

Looking Ahead

Looking to 2025, BK Group will continue to amplify its social impact, aiming to reach even more beneficiaries and launch new community projects. Through sustained collaboration and innovation, we will continue to build a Rwanda where every individual prospers.


BBALL SWAG
BANK OF KIGALI

Our People

At BK Group, we recognize that our 1,715 team members, ranging from seasoned executives to entry-level staff, form the bedrock of our organization.

Their unwavering commitment, diligent efforts, and specialized knowledge have been instrumental in driving our remarkable accomplishments. We remain steadfast in our dedication to fostering an inclusive workplace, actively pursuing gender equality and fostering the professional growth of women across all our subsidiaries. Today, 45% of our workforce consists of women boasting a diverse range of experience and spanning a wide age bracket, with 33% assuming leadership and governance roles within BK Group.

As a Group, we continue to hold ourselves to the highest industry standards, seeking to recruit the best talents to our organization. In an effort to enhance our positioning as a premier employer in Rwanda, and to be able to consistently attract top talent, we utilize a competitive compensation philosophy, in addition to prioritizing the continuous development of our employees through comprehensive training programs, skill development, and exhaustive succession planning within the organization.

Following through with our ongoing human capital development strategy, we continued implementing our dual approach to talent acquisition, prioritizing internal recruitment where possible while remaining vigilant to attractive talents through external recruitment. Internally, we focused on nurturing homegrown talents, recognizing our employees' right to professional advancement within the Group's ranks and fostering professional growth opportunities. Externally, we sought to onboard subject matter experts to complement our existing team, prioritizing gender diversity in our recruitment processes. Meanwhile, in line with our effort to create a healthy environment for our people, we actively maintain transparent communication channels with our employees, seeking valuable insights through engagement surveys. These insights, previously gathered and shared with management, consistently enhance our ability to maintain high employee satisfaction levels, evidenced by our remarkable retention rate of 89%.

Training and Education

Recognizing the pivotal role our employees play in driving our success, the Group remains steadfast in creating a work environment that nurtures growth, development, and job satisfaction for all. To this end, our collaboration with universities through the Entry Level Training Program (ELTP) Initiative, which aims to attract and cultivate top talent, equips fresh Rwandan graduates with top banking and business skills from local and international trainers to fill diverse functions within the Bank. Upon completion, participants are awarded certifications and offered employment. We recently launched the second cohort of our three-month ELTP.

Additionally, we actively engaged in employment fairs at UR Huye Campus, UR CBE Gikondo campus, and CMU, providing motivated young professionals an opportunity to launch their careers with the Group. We also provided academic and professional internships for youth, students, and graduates, with potential opportunities for permanent positions within the Bank.

With regards to internal talent development initiatives, we are equally committed to nurturing our existing talent through programs such as the Management Trainee Program. The program prepares employees for managerial roles by providing comprehensive training in leadership, client management, negotiation, team management, and managerial skills, paving the way for future leaders within the organization. Additionally, our talent development program utilizes a competency based approach to enhance employee skills, recognize top performers, and prepare potential successors. This strategic initiative bolsters our business continuity plan and ensures a robust talent pipeline for the future.

On top of our Management Trainee Program, we offer a host of development initiatives for all our existing employees.

Our Learning and Development initiatives are centered on improving employees' soft, technical, and leadership skills. We provide various training opportunities, including certifications technical courses, leadership and soft skills workshops, as well as sponsored business visits,

workshops, seminars, and conferences. To continue recognizing our people, their potential, and their professional development, we give precedence to internal growth opportunities in our recruitment strategy, with external hiring processes only conducted for roles that are unsuitable via internal movements or to onboard external experts bringing significant added value to our team.

Additionally, staff members benefit from participating in large-scale bank projects, which enables them to acquire valuable knowledge and skills.

In 2023 alone, a total of 193,330 hours of training were given to our employees, averaging 168.7 training hours per staff member. Of those programs, 63,810 hours were completed under the Management Trainee Program, empowering our people to take the leap into managerial positions.

These concentrated efforts underscore our commitment to empowering our employees and fostering a culture of continuous learning and development within the organization.

Employee Age Group and Gender Breakdown

Age Band	Number Of Staff	Female	Male
Under 25	40	16	9
25-30	217	92	125
31-35	273	103	170
36-40	451	217	234
41-45	261	108	153
46-50	85	38	47
Above 50	35	15	20
Total	1,715	747	968

Number of Staff per Age and Gender – New Hires

Age Band	Number Of Staff	Female	Male
UNDER 30	91	43	48
30-50	60	17	43
Total	151	60	91

Occupational Health and Safety

The occupational health and safety management system at BK Group was established to adhere to international standards (BCMS 22301:2019) and regulatory mandates, including labor regulations from the Ministry of Public Service and Labor and BNR regulations.

Bank of Kigali has recruited a Health and Safety Officer and a Clinic Officer as components of this system. To ensure the well-being of all BK employees, the HR department has designated health and safety champions from each department, who have received specialized training in providing first aid assistance and conducting emergency evacuations. Additionally, the Bank has formulated a health and safety plan and policy, assigning responsibility to HR, Risk, Operations, and other business units for identifying and addressing health and safety risks promptly.

The goal of the system is to guarantee that the workplace effectively meets the health, safety, and welfare needs of all personnel, including those with disabilities, as well as visitors who utilize the premises and may be impacted by the organization's activities. To ensure organizational readiness, those tasked with executing these protocols undergo routine training on optimal response methods.

The process of monitoring, measuring, analyzing, and evaluating business continuity encompasses ongoing assessments, which entail planning and executing health and safety tests regularly.

The occupational health and safety management system promotes a culture where employees are encouraged to report any incidents concerning occupational health and safety to the HR department, following the established reporting lines and channels. The Bank has instituted frequent training sessions and developed a health and safety recovery plan document to assist employees in maintaining a safe and healthy work environment, ensuring it remains injury-free and healthy.

Additionally, there is an incident response plan in place detailing the steps for investigating workrelated incidents, including hazard identification and risk assessment. The Group manages occupational health and safety risks through a dedicated framework of policies, procedures, and resources aimed at preventing risks and promptly managing them if they occur.

The HR department, BCMS unit, Physical Security unit, and department heads share the responsibility for ensuring health and safety assurances. Moreover, the Crisis Management Committee is tasked with discussing and addressing critical incidents based on the nature of the hazard.

we prioritize a safe and healthy workplace through a robust Occupational Health and Safety Management System aligned with international and national standards. With trained personnel, proactive risk management, and a culture of safety, we ensure the well-being of all employees and visitors while fostering resilience and readiness across the organization.”


BANK OF KIGALI

Financial Statements & Notes

Financial Statements & Notes

Directors And Statutory Information
For the Year Ended 31 December 2024

DIRECTORS
Non-Executive and Independent Directors
Mr. Jean Philippe Prosper Chairman
Mrs. Sonia Masimbi Kubwimana
Mrs. Roselyne Uwamahoro
Mr. Majija Achumile
Non-Executive and Non-Independent Directors
Mr. Darren Keith Smith
Mr. Francis Gatare
Mrs. Mutesi Linda Rusagara(App. On March 11th 2024, Resigned on November 12th 2024)
Mr. Ulrich Kayinamura(Appointed on November 12th 2024)

GROUP CHIEF EXECUTIVE OFFICER
Dr Uzziel Ndagijimana

SECRETARY
Emmamuel Nkusi Batanage
9 KN 3 Ave, Kigali
P.O Box 175
Kigali-Rwanda

AUDITOR
Ernst & Young Rwanda Limited
Certified Public Accountants
M-Peace Plaza Executive Wing, 6th Floor
KN 4 Avenue 72 St
PO Box 3638
Kigali - Rwanda

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS
BK Bank PLC Building
KN4 Ave No 12, Plot No 790
P.O Box 175
Kigali-Rwanda

ADVOCATES
Mr. Emmanuel Rukangira
P.O Box 3270
Kigali-Rwanda

Mr. Athanase Rutabingwa
P.O Box 6886
Kigali-Rwanda

BK Group Plc
Report Of The Directors'
For The Year Ended 31 December 2024

The directors have the pleasure of submitting their report together with the audited consolidated financial statements for the year ended 31 December 2024 which disclose the state of affairs of BK Group Plc and its subsidiaries (together, the "Group").

Principal activities

The principal activities of the Group are provision of retail and corporate banking services, insurance services, brokerage services, internet and digital services.

Results

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

Dividends

The Proposed dividend for the year ended 2024 is Frw 32,200,486,000 (2023: Proposed dividend was Frw 30,027,978,249)

Reserves

The reserves of BK Group Plc are set out in note 35.

Directors

The Directors who served during the year and up to the date of this report are set out on page 1.

Auditors

The Group's auditor, Ernst & Young Rwanda Limited has expressed willingness to continue in office.

Approval of the financial statements

The consolidated financial statements which appear on pages 11 to 81 were authorised for issue by the Directors have the power to amend and reissue the financial statements.

BY ORDER OF THE BOARD

Gedeon Rukundo

Ag Company Secretary

Date: 2025

BK Group Plc
Statement Of The Directors' Responsibilities
For The Year Ended 31 December 2024

The Group's directors are responsible for the preparation and fair presentation of the consolidated financial statements, comprising the consolidated statement of financial position at 31 December 2024 the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the twelve months period then ended, and the notes to the consolidated financial statements, which include a summary of material accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and Law Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30 March 2023 and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement whether due to fraud or error.

The directors' responsibilities include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. They are also responsible for safeguarding the assets of the Group.

The directors accept responsibility for the consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30 March 2023. The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs and the profit and cash flow for the year ended 31 December 2024.

The directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not be a going concern for at least the next twelve months from the date of this statement.

The auditor is responsible for reporting on whether the annual consolidated financial statements are fairly presented in accordance with the International Financial Reporting Standards and Law Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30 March 2023.

The Consolidated financial statements which appear on pages 11 to 81 were approved by the Board of Directors and signed on its behalf by:

....	....
Chief Executive Officer	**Director**

Dr Uzziel Ndagijimana

....

Group Chief Executive Officer

BK Group Plc
Corporate Governance Statement
For The Year Ended 31 December 2024

BK Group plc is committed to world class corporate governance standards as set from time to time by the National Bank of Rwanda, Capital Market Authority, Rwanda Stock Exchange and by itself in accordance with international best practise. The Board of Directors are responsible for the long-term strategic direction for profitable growth of the Group whilst being accountable to the shareholders for compliance and maintenance of the highest corporate governance standards and business ethics.

The Board of Directors

The Board is made up of four Non-Executive and Independent Directors, three Non-Executive and Non-Independent Director. The Board is provided with full, appropriate and timely information to enable them to maintain full and effective control over the strategic, financial, operational and compliance issues of the Group. The day to day running of the business of the Group is delegated to the Group Chief Executive Officer but the Board is responsible for establishing and maintaining the Group's system of internal controls so that the objective of profitable and sustainable growth and shareholders' values are realised. The Board also makes recommendations to the shareholders on Board succession planning and annual financial statements.

Board Meetings

The Board of Directors meet quarterly or as required in order to monitor the implementation of the Group's planned strategy, review it in conjunction with its financial performance and approves issues of strategic nature. Specific reviews are also undertaken on operational issues and future planning. At the end of each financial year, the Board reviews itself, Board Committees, Senior Management and the Group Chief Executive Officer against targets agreed at the beginning of the year. The Board held four meetings during the year.

Board attendance

The following table gives the record of attendance of the directors of the board for the Financial Year 2024.

Structure	Category	BK Group
Mr Jean Philippe Prosper	Independent	4/4
Mrs. Roselyne Uwamahoro	Independent	4/4
Mrs. Sonia Masimbi Kubwimana	Independent	4/4
Mr. Majija Achumile	Independent	4/4
Mr Francis Gatare	Non- Independent	4/4
Mr. Darren Keith Smith	Non- Independent	4/4
Mrs. Mutesi Linda Rusagara(Appointed On March 11th 2024, Resigned on November 12th 2024	Non- Independent	1/4
Mr. Ulrich Kayinamura(Appointed on November 12th 2024)	Non- Independent	1/4

Management committees

The Board has delegated the management of the business to the Chief Executive Officer of each subsidiary together with their respective Management Committees. The following management committees are in place at the subsidiary level to ensure that the Group carries out its obligation efficiently and effectively.

Bank of Kigali Plc	BK General Insurance Ltd	Other subsidiaries
Management Committee	Management Committee	Management Committee
Assets And Liability Committee	Assets, Liabilities and Investments Committee	Audit Committee
Credit Committee	Risk and Compliance Committee	
Debt Recovery Committee	Underwriting and Claim strategy committee	
Human Resource Committee		
Product Development Committee		
Information & Communication Technology Committee		
Procurement Committee		
Branch Expansion Committee		

Report Of The Independent Auditor To The Members Of BK Group Plc

Report of the Independent Auditor on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BK Group PLC and its subsidiaries ('the group') set out on pages 11 to 81, which comprise of the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated including a summary of material accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and complies with the requirements of the Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of BK Group Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of BK Group Plc. 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 Consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our description below, of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Report of the Independent Auditor on the Consolidated Financial Statements (continued)

Report of the Independent Auditor on the Consolidated Financial Statements (continued)

<table>
<tr><th>KEY AUDIT MATTERS</th><th>HOW THE MATTER WAS ADDRESSED IN OUR AUDIT</th></tr>
<tr><td>IFRS 9. Expected Credit Losses</td><td></td></tr>
<tr><td>As disclosed in Note 21 (a), tto the financial statements, as at 31 December 2024, the Bank had an allowance for expected credit losses (ECL) of FRw68,533,266 (2023: 91,613,557) charged on gross loans and advances of FRw1,522,516,907 (2023: FRw 1,336,456,821). The related charge for the year to the income statement was FRw 34,025,859 (2023: FRw 18,606,589) as disclosed in Note 14 to the financial statements.
IFRS 9 requires the Bank to recognise expected credit losses (“ECL”) on financial instruments which 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 implementation of IFRS 9 are:
• Economic scenarios – IFRS 9 requires the Bank to measure ECLs on a forward-looking basis reflecting a range of future economic conditions. Significant management judgment is applied to determining the economic scenarios used and the probability weightings applied.
• Significant increase in credit risk (“SICR”) – for the logistic model 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 determine whether a 12 month or lifetime provision is recorded.
• Model estimations – inherently judgemental modelling is used to estimate ECL which involves determining probabilities of default (“PD”), loss given default (“LGD”), and exposures at default (“EAD”). The PD models used are a key drivers of the Bank’s ECL results and are therefore the most significant judgemental aspect of the Bank’s ECL modelling approach.
• Qualitative adjustments – adjustments to the model driven ECL results are raised by management to address known impairment model limitations or emerging trends. Such adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts.
• The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers to be a key audit matter due to the high degree of estimation uncertainty and significant management judgement involved in determination of ECL.
• Estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation
• These scenario forecasts are developed by the Bank’s Chief Credit Risk Officer and require management judgement, given the uncertain macroeconomic environment and the complexity of incorporating these scenario forecasts and probability weightings into the estimation of ECL.
• Post-model management adjustments Where the Bank’s ECL models are not fully calibrated to cater for the impact of the current levels of economic volatility and complexity, management adjustments are applied.These adjustments are subject to a high degree of subjective management judgement and bias</td><td>Our audit procedures in this area included, among others:
1. Performing end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes.
2. Assessed the appropriateness of the Bank’s methodology for determining the economic scenarios used.
3. Assessed managements’ forecast and forecast narrative against available market data and our independent judgement
4. On a sample basis, testing the key inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and PD assumptions applied including key aspects of the Bank’s SICR determinations and assessing model predictions against actual results; and
5. Evaluating on a sample basis the post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample back to source data.
6. Assessing whether the disclosures appropriately disclose and address the uncertainty which exists when determining the expected credit losses and the key judgements and assumptions made was sufficiently clear.
7. Challenged management and macroeconomic adjustments or justification of lack thereof.
8. Re-performed credit loss provisioning computation to test for accuracy
9. 9. Reviewed security dockets to confirm existence and valuation of collaterals
10. Obtained and tested the data supporting assumptions relating to haircuts, CCF and time to realization for completeness, accuracy, and reasonableness
11. Obtained evidence that deteriorated loans are discussed and risk rating approved in the appropriate committees
12. Engaged our financial reporting and quantitative specialist teams to evaluate the reasonableness of macroeconomic scenarios used in the adjustments of PDs</td></tr>
</table>

Report of the Independent Auditor on the Consolidated Financial Statements (continued)

EY Building a better working world

Report of the Independent Auditor on the Consolidated Financial Statements (continued)

KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Determination of insurance contract liabilities	
• Insurance contract liabilities included in note 31 of the financial statements are made up the liabilities for remaining coverage and liabilities for incurred claims. These were considered a matter of most significance to the current year audit for the following reasons: • The estimation of the provisions involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. • The valuation of these liabilities relies on the accuracy of claims data and the assumption that future claims development will follow a similar pattern to past claims development experience. • The magnitude of the insurance contract liabilities balance (Rwf'000 3,496,113) in relation to total liabilities of (Rwf 2,083,048,907). 2023: Rwf 000' 6,284,675 in relation to total liabilities Rwf 000' 1,749,359,966 of the Group. These insurance contract liabilities involve significant judgment over uncertain future outcomes, mainly the ultimate total settlement value of the insurance contract.	1. Our testing approach included amongst others, the following procedures with the assistance of our actuarial specialists: 2. Evaluating and testing the controls around the claim reserving and settlement process. 3. Evaluating managements' review process of the provisions. 4. Comparing, for a sample of claims, the amounts as recorded in the claims systems to source documents. 5. Reviewing the reconciliation between the claims data and that used to calculate the reserves. 6. Considering the methodology and assumptions used by the Appointed Actuary and management in the estimation of reserves and assessing the methodologies applied against general accepted actuarial approaches; and 7. Back testing the robustness of the reserving process by performing an actual versus expected analysis on prior year's reserves to assess this for any surpluses or shortfalls.

OTHER INFORMATION INCLUDED IN THE GROUP'S 2024 ANNUAL REPORT

Other information consists of the information included in the Group's Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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.

Report of the Independent Auditor on the Consolidated Financial Statements (continued)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

Report of the Independent Auditor on the Consolidated Financial Statements (continued)

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

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

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

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 March 2023,

We confirm that:

1. We have no relationship, interests and debts in the Group.
2. 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.
3. In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books.
4. We have communicated to you through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regard to those matters.

Stephen K Sang

For Ernst & Young Rwanda Limited

.. 2025

Financial Statements
For The Year Ended 31 December 2024

Consolidated statement of profit or loss

	Note	2024 Frw'000	2023 Frw'000
Interest revenue calculated using the effective interest	7	251,118,890	216,865,024
Interest expense calculated using the effective interest method	8	(60,458,536)	(51,452,655)
Net interest income		**190,660,354**	**165,412,369**
Fee and commission income	9(i)	46,873,790	43,513,728
Fee and commission expense	9(ii)	(6,844,005)	(3,726,771)
Net fee and commission income		**40,029,785**	**39,786,957**
Insurance revenue	11	14,863,420	12,430,634
Insurance service expenses	12(i)	(7,489,980)	(7002,018)
Insurance service result before reinsurance contracts held		**7,373,440**	**5,428,616**
Non attributable expenses	12(ii)	(2,831,511)	(2,451,581)
Net insurance finance income	12 (iii)	**50,691**	**27,302**
Net expenses from reinsurance contract held	12(iv)	(1,418,663)	(871,296)
Insurance service result		**3,173,957**	**2,133,041**
Foreign exchange related income	10	20,810,705	20,062,185
Other operating income	13	3,998,624	3,178,777
Operating income before impairment losses and claims		**258,673,425**	**230,573,329**
Credit impairment losses for-loans	14	**(34,025,859)**	**(18,606,589)**
Credit impairment losses -Other assets	14	(10,395)	(27,331)
Net operating income		**224,637,171**	**211,939,409**
Employee benefits expense	12(a)	(46,667,715)	(42,826,475)
Depreciation and amortisation	15(ii)	(10,908,667)	(10,245,958)
Administration and general expenses	15(iii)	(40,870,695)	(49,049,156)
Interest on lease liabilities	15(iv)	(86,396)	(105,900)
Total operating expenses		**(98,533,473)**	**(102,227,489)**
Profit before income tax		**126,103,698**	**109,711,920**
Income tax expense	16	(35,072,668)	(34,894,241)
Profit for the year		**91,031,030**	**74,817,679**
Total comprehensive income for the year		**91,031,030**	**74,817,679**
Attributable to:			
Equity holders of the parent		89,692,980	73,869,360
Non-controlling interests		1,338,050	948,319
Basic and diluted earnings per share in FRw	17	97.8	80.6

The notes set out on pages 109 to 211 form an integral part of these financial statements.

Financial Statements
For the Year Ended 31 December 2024

Consolidated statement of financial position

ASSETS	Note	2023 Frw'000	2022 Frw'000
Cash in hand	18(a)	21,663,033	30,615,453
Balances with the National Bank of Rwanda	18 (b)	257,489,419	305,656,016
Due from other banks	19	399,117,340	251,404,182
Investments at amortised cost	20(a)	270,754,543	186,541,766
Investment in corporate bond	20(b)	23,883,206	18,531,463
Investment in specialized fund	20(c)	12,890,491	13,255,670
Loans and advances to customers	21	1,453,983,641	1,244,843,264
Insurance contract assets	23	467,903	398,549
Reinsurance contract asset	22	2,857,410	2,515,513
Other assets	24	2,694,903	1,152,743
Right of use assets	27(iii)	21,472,751	12,866,765
Assets classified as held for sale	26	100,000	566,145
Property and equipment	27(i)	31,734,374	32,352,686
Deferred income tax	25	7,857,130	4,734,412
Intangible assets	27(iii)	14,610,397	10,282,757
TOTAL ASSETS		**2,521,576,541**	**2,115,717,384**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	28	223,300,626	195,184,606
Deposits and balances from customers	29	1,641,839,621	1,374,342,881
Income tax payable	16(ii)	8,989,032	1,079,716
Dividends payable	30	18,395,258	23,145,719
Insurance Contract liabilities	31(i)	3,496,113	6,284,675
Creditors arising from reinsurance	31(ii)	1,656,810	1,026,489
Other liabilities	32	70,484,738	42,920,128
Lease liabilities	33	2,935,409	1,653,690
Long-term finance	34	111,951,300	103,722,062
TOTAL LIABILITIES		**2,083,048,907**	**1,749,359,966**
CAPITAL AND RESERVES			
Share capital	35(i)	9,305,314	9,281,625
Share premium	35(ii)	83,074,911	82,423,448
Revaluation reserves	35(iii)	13,217,601	13,099,993
Statutory reserves	35(v)	2,321,973	2,321,973
Retained earnings	35(iv)	325,344,951	254,971,032
Equity attributable to the owners of the parent		**433,264,750**	**362,098,071**
Non-controlling interests		5,262,884	4,259,347
TOTAL EQUITY		438,527,634	366,357,418
TOTAL LIABILITIES AND EQUITY		**2,521,576,541**	**2,115,717,384**

These financial statements were approved by the Board of Directors and were signed on its behalf by:

Director Director .

The notes set out on pages 109 to 211 form an integral part of these financial statement

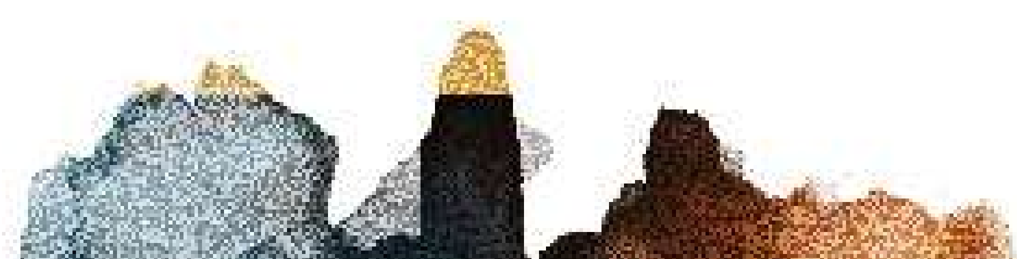
Financial Statements
For The Year Ended 31 December 2024

Consolidated Statement Of Changes In Equity

For year ended 31 December 2023	Issued capital Frw'000	Share premium Frw'000	Revaluation Frw'000	Statutory reserves Frw'000	Retained earnings FRw'000	Non-controlling interests FRw'000	Total Frw'000
As at 1 January 2024	9,281,625	82,423,448	13,099,993	2,321,973	254,971,032	4,259,347	366,357,418
DRIP Shares issued	23,689	651,463	-	-	(1013)	-	674,139
Comprehensive Income			117,608				117,608
Revaluation							
Profit for the year	-	-	-		89,692,980	1,338,050	91,031,030
Transaction with owners:							
Returned dividend					12,882,438		12,882,438
Dividends Proposed	-	-			(32,200,486)	(334,452)	(32,534,999)
	9,305,314	**83,074,911**	**13,217,601**	**2,321,973**	**325,344,951**	**5,262,884**	**438,527,634**

For year ended 31 December 2023	Issued capital Frw'000	Share premium Frw'000	Revaluation Frw'000	Statutory reserves Frw'000	Retained earnings FRw'000	Non-controlling interests FRw'000	Total Frw'000
As at 1 January 2024	9,185,147	79,953,617	13,099,993	2,321,973	211,133,499	3,548,108	319,242,337
DRIP Shares issued	96,478	2,469,831	-	-	(3,849)	-	2,562,460
Comprehensive Income							
Profit for the year	-	-	-		73,869,360	948,319	74,817,679
Transaction with owners:							
Dividend Proposed	-	-			(30,027,978)	(237,080)	(30,265,058)
	9,281,625	**82,423,448**	**13,099,993**	**2,321,973**	**254,971,032**	**4,259,347**	**366,357,418**

The notes set out on pages 109 to 211 form an integral part of these financial statements.



Consolidated Statement Of Cash Flows

Cash flows from operating activities	Note	2024 Frw'000	2023 Frw'000
Profit before income tax		126,103,698	109,711,920
Adjusted for:			
Depreciation of property and equipment	27(i)	7,061,088	6,330,916
Amortization of intangible assets	27(ii)	3,519,449	3,121,337
Gain on disposal of property and equipment		(141,647)	(122,880)
Depreciation on right of use assets	27(iii)	543,259	1,068,412
Revaluation loss on long-term financing	34	9,548,858	12,311,456
Finance cost on lease	33	173,477	105,900
Dividend income	13	(42,029)	(70,343)
Changes in expected credit losses on financial assets	14	38,886,151	22,153,622
Changes in impairment on Balances with National Bank of Rwanda		(4,011,892)	2,312,744
Changes in ECL on other assets		317,386	-
Changes in impairment on other assets		(3,739,351)	1,558,760
Accrued interests on other investments	20(b)(c)	(1,453,262)	(1,320,776)
Cash flows before changes in working capital		**176,765,185**	**157,161,068**
Changes in working capital			
Increase in loans and advances		(246,728,005)	(128,937,535)
Increase in Contract Assets		(411,251)	(2,331,102)
Decrease in other assets		(5,148,145)	5,000,222
Increase in cash reserve requirement		(14,780,638)	(10,687,535)
Increase in deposits and balances from customers		271,508,632	299,154,308
Decrease in due to banks		63,418,429	(35,560,278)
Increase in insurance liabilities		(2,158,240)	(3,225,487)
Increase in other liabilities		27,528,734	9,361,785
Decrease in assets held for sale	26	466,145	-
		270,460,846	**289,935,446**
Income tax paid	16(ii)	(30,312,424)	(33,522,643)
Net cash (used)/generated from operating activities		**240,148,422**	**256,412,803**
Investing Activities			
Purchase of property and equipment	27(i)	(7,811,263)	(8,646,839)
Purchase of intangible assets	27(ii)	(7,847,089)	(2,909,484)
Proceeds from sale of fixed assets		562,371	143,788
Investment securities:			
Additions in investment in securities	20(a)	(426,298,314)	(401,435,597)
Receipts on investment maturities	20(a)	341,970,472	429,444,595
Corporate bond			
Additions in corporate bond	20(b)	(6,175,300)	(6,616,367)
Receipts in corporate bond	20(b)	1,204,648	1,245,22 0
Investment in specialised fund	20(c)	(1,688,589)	(1,000,000)
Receipts in specialized fund	20(c)	2,104,027	453,497
Dividend Received	13	42,029	70,343
Net cash flows used investing activities		**(103,937,008)**	**10,749,158**
Financing Activities			
Dividends paid	30	(23,677,180)	(37,586,770)
Payment of interest portion on lease liabilities	33	(173,477)	(105,900)
Repayment of interests on long-term finance	34	(7,923,749)	(8,419,679)
Drawdown of long-term finance	34	22,003,979	7,875,439
Repayment of long-term finance	34	(15,399,850)	(10,763,507)
Payment of principal portion on lease liability	33	(880,292)	(594,900)
Proceeds from issue of new shares	35(i)	23,689	96,478
Increase in share premium on new shares	35(ii)	651,463	2,469,831
Net cash flows (used in)/generated from financing activities		**(25,375,417)**	**(47,029,008)**
Net increase/(in cash and cash equivalents		110,835,997	220,132,953
Cash and cash equivalents at 1 January		352,382,421	132,249,468
Cash and cash equivalents at 31 December	18(c)	**463,218,418**	**352,382,421**
Additional information on operational cashflows from interest income and interest expense			
Interest paid		46,873,790	43,513,728
Interest received		251,118,890	216,865,024
Dividend received		**42,029**	**70,343**

The notes set out on pages 109 to 211 form an integral part of these financial statements

Notes to the Financial Statements
For The Year Ended 31 December 2024

1. CORPORATE INFORMATION

BK Group Plc is a non-operating holding company registered with Rwanda Development Board (RDB) under Law No. No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30 March 2023
The Group provides corporate and retail banking services, insurance services, brokerage and management services, internet and digital services.

BK Group Plc is incorporated in Rwanda and is publicly traded on the Rwanda Stock and cross listed in the Nairobi Securities Exchange. The address of its registered office is as follows:

Old I&M Bank Building
KN4 Ave No 12 Plot No 790
P.O Box 175
Kigali-Rwanda

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

a) Basis of preparation

The financial statements have been prepared in accordance with "IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The measurement basis applied is the historical cost basis, except for fair value investments, land and buildings measured at fair value and loan note at fair value through profit or loss which have been measured at fair value.

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

Changes in accounting policy and disclosures

BK Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(i) New and amended standards adopted by BK Group Plc

i) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standards issued but not yet effective that are expected to have a material impact on the Bank's financial statements

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

2.1. New and amended standards and interpretations (continued)

Classification of Liabilities as Current or Non- current - Amendments to IAS 1

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

ii) Standards issued but not yet effective
Standards issued but not yet effective that are not expected to have a material impact on the Group's financial statements

- Lack of exchangeability – Amendments to IAS 21 (Effective for annual periods beginning on or after 01 January 2025)
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (Effective for annual periods beginning on or after 01 January 2026)
- Annual Improvements to IFRS Accounting Standards—Volume 11 (Effective for annual periods beginning on or after 01 January 2026)
- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 (Effective for annual periods beginning on or after 01 January 2026)
- Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 77 (Effective for annual periods beginning on or after 01 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Effective for annual periods beginning on or after 01 January 2027)

b) Going concern
BK Group Plc's directors have made an assessment of BK Group Plc' ability to continue as a going concern and is satisfied that BK Group Plc has the resources to continue in business for the foreseeable future, Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon BK Group Plc's ability to continue as a going concern, Therefore, the financial statements have been prepared on the going concern basis.

c) Use of estimates and judgments
The preparation of BK Group Plcs's consolidated financial statements is in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the BK Group Plc's Consolidated financial statements and the reported amounts of revenues and expenses during the reporting period,

The estimates and assumptions are based on the Directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources, Actual results may differ from these estimates,
The estimates and underlying assumptions are reviewed on an on-going basis, Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods, In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 3.

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

2.1. New and amended standards and interpretations (continued)

Classification of Liabilities as Current or Non- current - Amendments to IAS 1

d) Principles of consolidation

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which BK Group plc has control, BK Group plc controls an entity when BK Group plc is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity, Subsidiaries are fully consolidated from the date on which control is transferred to BK Group plc, They are deconsolidated from the date that control ceases,

The acquisition method of accounting is used to account for business combinations by BK Group plc,

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset, Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by BK Group plc.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

ii) Changes in ownership interest

BK Group treats transaction with non-controlling that do not result in a loss of control as transactions with equity owners of BK Group plc, A change in ownership interest results in an adjustment between the carrying amount of the controlling and non-controlling interests to reflect their relative interests in the subsidiary, Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of BK Group Plc.

When BK Group plc ceases to consolidate because of loss of control any retained interest in the entity is measured at fair value with changes in carrying amount recognised in profit and loss.

e) Revenue recognition

(i) Interest income

See note 2(i) below on financial assets and liabilities

(ii) Fees and commission

Fees and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – are recognised as the related services are performed.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received. Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees, These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

(iii) Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

(iv) Net trading income

Net trading income' comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, and foreign exchange differences.

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

2.1. New and amended standards and interpretations (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (continued)

f) Property and equipment

Land and buildings are recognised at fair value based on periodic, but at least every 3-5 years, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to revaluation reserves in shareholders' equity. All other property and equipment is stated at historical cost less depreciation, Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Buildings 5%
- Motor vehicles 25%
- Furniture and fittings 25%
- Office equipment 25%
- Computers 33%
- IT equipment including servers 20%

Freehold land is not depreciated as it is deemed to have an indefinite life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Provisions

Provisions are recognised when BK Group Plc has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation, Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to that liability. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any disbursement.

2. Summary of material accounting policies (continued)

2.1. New and amended standards and interpretations (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (continued)

g) Financial assets and liabilities

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i,e, its amortised cost before any impairment allowance) or to the amortised cost of a financial liability, The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees, For purchased or originated credit-impaired (`POCI') financial assets — assets that are credit-impaired at initial recognition — BK Group plc calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When BK Group plc revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate, Any changes are recognised in profit or loss.

Interest income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:
(a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i,e, net of the expected credit loss provision).

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

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

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:
(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss,
In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually, It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

2.1. New and amended standards and interpretations (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (continued)

Classification and subsequent measurement
BK Group plc classifies its financial assets in the following measurement categories:
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

are described in Note 3.

d) Principles of consolidation
i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which BK Group Holding company has control, BK Group Holding company controls an entity when BK Group Holding company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity, Subsidiaries are fully consolidated from the date on which control is transferred to BK Group Holding company, They are deconsolidated from the date that control ceases,

The acquisition method of accounting is used to account for business combinations by BK Group Holding company,

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset, Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by BK Group Holding company.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

ii) Changes in ownership interest
BK Group treats transaction with non-controlling that do not result in a loss of control as transactions with equity owners of BK Group Holding company, A change in ownership interest results in an adjustment between the carrying amount of the controlling and non-controlling interests to reflect their relative interests in the subsidiary, Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of BK Group Plc.

When BK Group Holding company ceases to consolidate because of loss of control any retained interest in the entity is measured at fair value with changes in carrying amount recognised in profit and loss.

e) Revenue recognition

(i) Interest income

See note 2(i) below on financial assets and liabilities

(ii) Fees and commission
Fees and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – are recognised as the related services are performed.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received. Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees, These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

(iii) Dividend income
Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

2.1. New and amended standards and interpretations (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (continued)

of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

(iv) Net trading income
Net trading income' comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, and foreign exchange differences.

f) Property and equipment
Land and buildings are recognised at fair value based on periodic, but at least every 3-5 years, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to revaluation reserves in shareholders' equity. All other property and equipment is stated at historical cost less depreciation, Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

• Buildings	5%
• Motor vehicles	25%
• Furniture and fittings	25%
• Office equipment	25%
• Computers	33%
• IT equipment including servers	20%

Freehold land is not depreciated as it is deemed to have an indefinite life.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Provisions
Provisions are recognised when BK Group Plc has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation, Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to that liability. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any disbursement.

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

Financial assets and liabilities

Measurement methods

Amortised cost and effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i,e, its amortised cost before any impairment allowance) or to the amortised cost of a financial liability, The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees, For purchased or originated credit-impaired (`POCI') financial assets — assets that are credit-impaired at initial recognition — BK Group Holding company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When BK Group Holding company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate, Any changes are recognised in profit or loss.

Interest income

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

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

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

Initial recognition and measurement

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

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

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

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

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

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)
Financial assets and liabilities

Classification and subsequent measurement

BK Group Holding company classifies its financial assets in the following measurement categories:

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

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

Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

(i) BK Group business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, BK Group Plc classifies its debt instruments into one of the following two measurement categories:

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

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

Business model: the business model reflects how BK Group plc manages the assets in order to generate cash flows, That is, whether BK Group plc's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets, If neither of these is applicable (e,g, financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL, Factors considered by BK Group plc 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.

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

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

g) Financial assets and liabilities

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

Equity instruments

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

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

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

(ii) Impairment

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

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

Note 4.1.4 provides more detail of how the expected credit loss allowance is measured.

(iii) Modification of loans

BK Group Plc sometimes renegotiates or otherwise modifies the contractual cash flows of loans to

customers, when this happens, BK Group plc assesses whether or not the new terms are substantially different to the original terms, BK Group plc does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay,
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty,
- Significant change in the interest rate.
- Change in the currency the loan is denominated in
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

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

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

If the terms are not substantially different, the renegotiation or modification does not result in

derecognition, and BK Group plc recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss, the new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

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

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

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

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

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

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

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

(i) Classification and subsequent measurement

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

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, Gains or losses on derivatives are recognised in profit or loss,;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer, In subsequent periods, BK Group plc recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i,e, when the obligation specified in the contract is discharged, cancelled or expires), The exchange between BK Group plc and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration, If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment, If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Financial guarantee contracts and loan commitments

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

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

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

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

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

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

h) Cash and cash equivalents

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

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

i) Income tax expense

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income, The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the BK Group plc's financial statements, However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss..

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority, Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

j) Fiduciary assets

BK Group plc provides trust and other fiduciary services such as nominee or agent that result in the holding or investing of assets on behalf of its clients, Assets held in a fiduciary capacity and income arising from related undertakings to return such assets to customers are not reported in the financial statements, as they are not the assets of BK Group plc. Bk Capital manages funds on behalf of customers and earns management fees.

k) Intangible assets

BK Group intangible assets currently only comprise computer software,

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to BK Group plc.

Intangible assets acquired separately are measured on initial recognition at cost, The cost of intangible assets is their fair value as at the date of acquisition, Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite, Intangible assets with finite lives are amortised over the useful economic life, The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end,

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates and accounted for prospectively, The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software	**5 years**

There are no intangible assets with indefinite useful lives.

Notes to the Financial Statements
For The Year Ended 31 December 2024

2. Summary of material accounting policies (continued)

i) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by BK Group plc shareholders, Interim dividends are deducted from equity when they are declared and no longer at the discretion of BK Group plc, Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the reporting date.

m) Employee benefits

Retirement benefit costs

BK Group plc contributes to a statutory defined contribution pension scheme, the Rwanda Social Security Board (RSSB), Contributions are determined by local statute and are currently limited to 5% of the employees' gross salary, the company's RSSB contributions are charged to the statement of profit or loss and other comprehensive income in the period to which they relate.

Short-term benefits

Short term benefits consist of salaries, bonuses and any non-monetary benefits such as medical aid contributions and transport allowance, Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided,

A provision is recognised for the amount expected to be paid under short-term cash bonus if BK Group plc has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

o) Contingent liabilities

Letters of credit, acceptances, guarantees and performance bonds are disclosed as contingent liabilities, Estimates of the outcome and the financial effect of contingent liabilities is made by management based on the information available up to the date that the financial statements are approved for issue by the directors.

p) Earnings per share

Basic and diluted earnings per share (EPS) data for ordinary shares are presented in the financial statements, Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of BK Group by the weighted average number of ordinary shares outstanding during the period, Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

q) Non-current assets held for sale and discontinued operations

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

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the statement of financial position. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Notes to the Financial Statements
For The Year Ended 31 December 2024

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results, the directors also need to exercise judgement in applying BK Group Holding company's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year, Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

i) Critical judgements in determining the lease term

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

For leases of branch network, management considered the following:

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

ii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e,g, the likelihood of customers defaulting and the resulting losses), Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 4,1.2.3 which also sets out key sensitivities of the ECL to changes in these elements.

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

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

Detailed information about the judgements and estimates made by BK Group in the above areas is set out in note 3

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. FINANCIAL RISK MANAGEMENT

The following section discusses BK Group Plc' risk management policies, The measurement of ECL under IFRS 9 uses the information and approaches that BK Group plc uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9, The approach taken for IFRS 9 measurement purposes is discussed separately in note 4.1.2

4.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of BK Group plc's customers, clients or market counterparties fail to fulfil their contractual obligations to BK Group plc, Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances.

BK Group Plc is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements, Credit risk is the single largest risk for BK Group plc's business; the directors therefore carefully manage its exposure to credit risk, The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

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

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, 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, BK Group plc measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9, Refer to note 4.1.2 for more details.

4.1.1 Credit risk management

Other than the change in credit risk rating for significant corporate exposures, there were no other material changes to the policies and practices for the management of credit risk . We continued to apply the requirements of IFRS 9 'Financial Instruments' within Credit Risk.

We have established Group-wide credit risk management and related IFRS 9 processes. We continue to assess actively the impact of economic developments in key markets on specific customers, customer segments or portfolios, As credit conditions change, we take mitigating action, including the revision of risk appetites or limits, adjustment of interest rates and tenors, as appropriate.In addition, we continue to evaluate the terms under which we provide credit facilities within the context of individual customer requirements, the quality of the relationship, market practices and our local regulatory requirements.

Credit risk grading

BK Group grades its significant corporate exposures based on the internal rating below. For SME and retail exposures BK Group plc uses the National Bank of Rwanda (BNR) credit risk gradings to reflect its assessment of the probability of default of retail counterparties. The facilities are rated as either performing, watch, substandard, doubtful or loss, based on the number of days overdue. The classification criteria are as follows:

Performing

These are credit facilities which are up to date in payments. Where there are no fixed payments, these are facilities that are operating within their approval limits and are unexpired.

Watch

These are credit facilities where principal or interest is due and unpaid for 30 days to 89 days, or for facilities with no fixed payments, the approval limit has been exceeded by 30 days to 89 days, or the credit line has expired for more than 30 days to 89 days.

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. FINANCIAL RISK MANAGEMENT (continued)
4.1.1 Credit risk management (continued)

Substandard
These are loan balances due for 90 days but less than 180 days. They are also those credit facilities that display well-defined credit weaknesses that jeopardize the liquidation of the debt such as inadequate cash flow to service the debt, undercapitalized or insufficient working capital, absence of adequate financial information or security documentation and irregular payment of principal or interest.

Doubtful
These are loan balances that are more than 180 days but less than 365 days overdue. They are also those credit facilities which, in addition to the weaknesses existing in substandard credits, have deteriorated to the extent that full repayment is unlikely or that realizable security values will be insufficient to cover the Group's exposure.

Loss
These are loans that are more than 365 days overdue. These are also those credit facilities that are considered uncollectable, or which may have some recovery value, but it is not considered practicable nor desirable to defer write off. They are also accounts classified as "Doubtful" with little or no improvement over the period it has been classified as such.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. Once a facility is classified as substandard, the probability of default reaches 100%.

Internal credit rating

Rating Grid	Rating	Description	Rating score
1	AAA	Exceptional Credit	[90-100[
2	AA	Superior credit	[80-90[
3	A	Minimal Risk	[70-80[
4	BBB	Above Average Risk	[60-70[
5	BB	Average Risk	[55-60[
6	B	Acceptable Risk	[50-55[
7	CCC	Watch list	[40-50[
8	CC	Substandard Risk	[30-40[
9	C	Doubtful Risk	[20-30[
10	D	Loss	[0-20[

The table below shows the link between the regulator risk classifications and the IFRS 9 stage allocation for assets for the Group;

National Bank of Rwanda Guidelines	Days past due	Stage allocation
Normal	0-29	1
Watch	30-89	2
Sub-standard	90-179	3
Doubtful	180-364	3
Loss	Over 364 or considered uncollectible	3

For debt securities in the Treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed defaults.

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. FINANCIAL RISK MANAGEMENT (continued)
4.1.2 Expected credit loss measurement

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. Please refer to note 4.1.2.1 for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note 4.1.3 for a description of how the Group defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note 4.1.4 for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 4.1.5 includes an explanation of how the Group has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

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

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses 2

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)
4.1.2 Expected Credit Loss Measurement

4.1.2.1 Significant increase in credit risk (SICR)

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

The Group identifies a significant increase in credit risk where

- Exposures have a regulatory risk rating of "WATCH"
- An exposure is 30 days or more days past due. This is in line with the IFRS 9 30 DPD rebuttable presumption;
- an exposure has been restructured in the past due to credit risk related factors or which was NPL and is now regular (subject to the regulatory cooling off period);or
- by comparing an exposure:

1. credit risk quality at the date of reporting; with
2. the credit risk quality on initial recognition of the exposure.

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

- The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.
- The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.
- Generally, restructuring is a qualitative indicator of default and credit impairment and expectations of restructuring are relevant to assessing whether there is a significant increase in credit risk. Following restructuring, a customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be in default/credit-impaired or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECLs.

The assessment of SICR incorporates forward-looking information (refer to note 4.1.5 for further information) and is performed on a monthly basis at a portfolio level for all financial instruments held by the Group. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Backstop

A backstop is applied, and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

The Group has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2023.

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)
4.1.2 Expected Credit Loss Measurement

4.1.2 Sensitivity analysis

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

(i) Collateral haircuts, and

(ii) Period to recovery of collateral

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

Time to realisation
The directors have assumed a time to realisation of 3 years for commercial properties and 2 years for residential properties. If time to realisation increased by 1 year, overall ECL would increase in the range of FRw 2 billion and FRw 3.5 billion.

Collateral haircuts: The directors have assumed collateral haircuts of 50% for commercial and 30% for residential properties, If haircuts were further adjusted by 10% the overall ECL would increase/reduce in the range of FRw 2,4 billion and FRw 3 billion.

4.1.3 Definition of default and credit-impaired assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

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

Qualitative criteria
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

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)
4.1.2 Expected Credit Loss Measurement

4.1.4 Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. PDs have been developed using 36 months of empirical data and to avoid distortions caused by COVID 19 related payment holidays the data used was as at 28 February 2020.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.
- The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

4. Financial Risk Management (Continued)

4.1.2 Expected Credit Loss Measurement

4.1.4 Measuring ECL — Explanation of inputs, assumptions and estimation techniques

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Refer to note 4.1.2.4 for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation — such as how the maturity profile of the PDs and how collateral values change etc. — are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

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The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

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Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Refer to note 4.1.2.4 for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation — such as how the maturity profile of the PDs and how collateral values change etc. — are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.2 Expected Credit Loss Measurement

4.1.5 Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario").

The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group's credit team also provide other possible scenarios along with scenario weightings. The three scenarios and their attributes are reassessed at each reporting date. At 31 December 2021, the Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators (see note 4.1.7.1). This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). This probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

Economic variable assumptions

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

In line with IFRS 9, below are the scenario weightings that concern macroeconomic overlays (these cover all applicable macroeconomic factors: GDP, Inflation, balance of trade, etc.):

- Base scenario: 66%
- Upside scenario: 7%
- Downside scenario: 27%

Below is the y-o-year comparison of scenario weightings

Scenario	2023	2024
Downside	30%	27%
Base	50%	66%
Upside	20%	7%

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.5 Forward-looking information incorporated in the ECL models (continued)

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

	Base %	Upside %	Downside %
As at 31 December 2024			
Scenario probability weighting	50%	20%	30%
As at 31 December 2023			
Scenario probability weighting	50%	20%	30%

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

The weights of Base and Upside have decreased/increased slightly reflecting the small change in dispersion in the scenarios. The impact on ECL is immaterial.

4.1.6 Sensitivity analysis

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

(i) Collateral haircuts, and

(ii) Period to recovery of collateral

Set out below are the changes to the ECL as at 31 December 2023 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions.

Time to realisation: The directors have assumed a time to realisation of 3 years for commercial properties and 2 years for residential properties. If time to realisation increased by 1 year, overall ECL would increase in the range of FRw 2 billion and FRw 3.5 billion.

Collateral haircuts: The directors have assumed collateral haircuts of 50% for commercial and 30% for residential properties. If haircuts were further adjusted by 10% the overall ECL would increase/reduce in the range of FRw 3.5 billion and FRw 4.1 billion.

4.1.2.7 Credit risk exposure

4.1.7.1 Maximum exposure to credit risk — Financial instruments subject to impairment

TThe following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

ECL determination for government securities, due from other banks

Government securities and due from other banks are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk for these financial assets as they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The loss rate assigned to these has been determined to be 0.57% and 0.17% respectively which is the probability of default assigned to a B+ sovereign rating and investment grade by Standard & Poors rating agency

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)
4.1.7.1 Maximum exposure to credit risk

Corporate, Small and Agri-business	2024			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	1,176,102,727			
Watch		30,693,690		30,693,690
Default				43,578,812
Gross carrying amount	1,176,102,727	30,693,690	43,578,812	1,250,375,228
Expected credit loss	(18,766,801)	(3,197,087)	(19,535,893)	(41,499,780)
ERF Discount	(3,920,720)	(1,969)	(394,414)	(4,317,103)
Carrying amount	**987,816,094**	**56,520,982**	**12,552,920**	**1,204,558,346**

Corporate, Small and Agri-business	2023			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	964,637,246	-	-	964,637,246
Watch	-	58,954,240	-	58,954,240
Default	-	-		72,533,384
Gross carrying amount	964,637,246	58,954,240	72,533,384	1,096,124,869
Expected credit loss	-13,509,157	-2,994,948	-59,069,003	-75,573,108
ERF Discount	-4,488,857	-49,972	-492,526	-5,031,355
Carrying amount	**946,639,232**	**55,909,320**	**12,971,855**	**1,015,520,407**

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)
4.1.7.1 Maximum exposure to credit risk

Retail	2024			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	244,935,513	-	-	244,935,513
Watch	-	10,645,200	-	10,645,200
Default	-			
Gross carrying amount		10,645,200	27,551,238	283,131,951
Expected credit loss	(3,555,265)	(1,732,612)	(21,745,608)	(27,033,485)
ERF Discount	(6,667,506)	-	(5,664)	(6,673,170)
Carrying amount	**234,712,742**	**8,912,588**	**5,799,965**	**249,425,296**

Retail	2023			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	226,734,696	-	-	226,734,696
Watch	-	9,260,889	-	9,260,889
Default	-			
Gross carrying amount		9,260,889	14,158,334	250,153,919
Expected credit loss	-3,038,240	-1,325,323	-11,676,886	-16,040,449
ERF Discount	-4,780,621	-8,121	-1,870	-4,790,613
Carrying amount	**218,915,834**	**7,927,445**	**2,479,578**	**229,322,857**

*ERF-(Economic Recovery Fund)

ERF stands for the Economic Recovery Fund, which was designed to support businesses, particularly in the hotel industry, that were impacted by the COVID-19 pandemic. The government injected funds to help these businesses access loans at an interest rate of 5%, while banks received the funds at a 0% rate. As a result, the valuation is performed on a monthly basis to assess the impact of the interest rate discount on the loan book, assuming the loans are at the same effective market rate

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.7.1 Maximum exposure to credit risk — Financial instruments subject to impairment (continued)

Investment securities at amortized costs	2024			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	262,159,425	-	-	262,159,425
Gross carrying amount	262,159,425	-	-	262,159,425
Expected credit loss	-1,156,450	-	-	-1,156,450
Carrying amount	**261,002,975**	**-**	**-**	**261,002,975**

Investment securities at amortized costs	2023			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	176,809,580	-	-	176,809,580
Gross carrying amount	176,809,580	-	-	176,809,580
Expected credit loss	(1,041,386)	-	-	(1,041,386)
Carrying amount	**175,768,194**	**-**	**-**	**175,768,194**

The above are debt securities issued by the Government of the Republic of Rwanda as Treasury bills and bonds.

Guarantees and commitments	2024			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	`	-	-	664,191,040
Watch	664,191,040	4,173,030	-	4,173,030
Default	-	-	169,401	169,401
Gross carrying amount	**664,191,040**	**4,173,030**	**169,401**	**668,533,472**
Expected credit loss	**(5,694,133)**	**(220,258)**	**(79,811)**	**(5,994,202)**
Carrying amount	**658,496,908**	**3,952,772**	**89,590**	**662,539,270**

Guarantees and commitments	2023			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Normal	`	-	-	579,856,541
Watch	579,856,541	3,237,788	-	3,237,788
Default	-	-	21,036	21,036
Gross carrying amount	**579,856,541**	**3,237,788**	**21,036**	**583,115,365**
Expected credit loss	**(5,125,848)**	**(149,418)**	**(242,606)**	**(5,517,873)**
Carrying amount	**574,730,693**	**3,088,369**	**(221,570)**	**577,597,492**

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.7.1 Maximum exposure to credit risk — Financial instruments subject to impairment (continued)

The above are off balance sheet commitments namely letter of credits and Bank guarantees .

Cash balances with other banks 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
A	186,712,479	-	-	186,712,479
A+	121,134,985	-	-	121,134,985
AA	78,776,422	-	-	78,776,422
B+	724,047	-	-	724,047
BB-	944,400	-	-	944,400
Expected credit loss	(781,444)	-	-	(781,444)
Carrying amount	**387,510,889**	**-**	**-**	**387,510,889**

Cash balances with other banks 2023	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
A	185,480,148	-	-	185,480,148
A+	56,993,465	-	-	56,993,465
AA	1,617,122	-	-	1,617,122
B+	1,951,683	-	-	1,951,683
BB-	109,886	-	-	109,886
Expected credit loss	(1,106,622)	-	-	(1,106,622)
Carrying amount	**245,045,682**	**-**	**-**	**245,045,682**

The Expected Credit Losses (ECL) for cash balances with other banks has been arrived at using the below credit ratings for financial institutions:

AA	Very high credit quality with low credit risk
A	High credit quality with low credit risk
A-	Good credit quality with some credit risk
A+	Strong credit quality with low credit risk
BB-	Speculative with substantial credit risk
B	Highly speculative with high credit risk
B+	Highly speculative with low credit risk

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.7.1 Maximum exposure to credit risk — Financial instruments subject to impairment (continued)

Balances with National Bank of Rwanda	2024			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Gross amount	257,507,878			257,507,878
Expected credit loss	(18,459)			(18,459)
Carrying amount	**257,489,419**	-	-	257,489,419

Balances with National Bank of Rwanda	2023			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Gross amount	309,683,367			309,683,367
Expected credit loss	(4,030,351)			(4,030,351)
Carrying amount	**257,489,419**	-	-	257,489,419

Other assets	2024			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Gross amount	3,799,564			3,799,564
Expected credit loss	(317,386)			(317,386)
Carrying amount	**3,482,178**	-	-	**3,482,178**

Other assets	2023			
	Stage 1 12 month ECL Frw'000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000
Gross amount	12,936,700			12,936,700
Expected credit loss	(3,739,351)			(3,739,351)
Carrying amount	**9,197,349**	-	-	**9,197,349**

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in note 4.1.4 'Expected credit loss measurement'.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.8. Gross loans

Below is a transitional table between stages between 1 January 2024 to 31 December 2024:

31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Gross loans as at 1 January 2024	1,182,182,359	68,086,140	86,197,322	1,336,465,821
- Transfers from stage 1 to stage 2	(1,824,586)	1,824,586	-	-
- Transfers from stage 2 to stage 3	(872,686)	872,686	-	-
- Transfers to stage 3	(814,815)	4,073,808	(3,258,993)	-
- Transfers from stage 3	2,264,962	(369,143)	(1,895,818)	-
New loans disbursed	476,062,920	12,630,209	15,585,096	503,680,489
Repayments	(246,548,140)	(45,781,364)	36,290,513	(256,038,991)
Net movement in gross loans	**228,267,654**	**(26,749,218)**	**46,720,797**	**247,641,498**
Financial asset derecognised	-	-	(61,590,412)	(61,590,412)
Gross loans as at 31 December 2024	**1,410,450,014**	**41,336,922**	**70,729,971**	**1,522,516,906**

Below is a transitional table between stages between 1 January 2023 to 31 December 2023:

31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Gross loans as at 1 January 2023	1,059,643,574	115,464,884	39,040,624	1,214,140,082
- Transfers from stage 1 to stage 2	(13,149,876)	13,149,876	-	-
- Transfers from stage 2 to stage 3	4,882,044	(4,882,044)	-	-
- Transfers to stage 3	(1,238,231)	(7,481,859)	8,720,090	-
- Transfers from stage 3	11,743,978	341,578	(12,085,556)	-
New loans disbursed	249,051,054	4,037,194	54,981,827	308,070,076
Repayments	(128,750,184)	(52,543,489)	-	(181,293,673)
Net movement in gross loans	**122,538,786**	**(47,378,745)**	**51,616,361**	**126,776,403**
Financial asset derecognised	-	-	(4,459,663)	(4,459,663)
Gross loans as at 31 December 2023	**1,182,173,360**	**68,086,139**	**86,197,322**	**1,336,456,821**

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.9 Loss Allowance-Investment securities

They have been no upgrade or downgrade in the investment securities in the year. All these investment securities are performing.

Below is a transitional table between stages between 1 January 2024 to 31 December 2024

31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Loss allowance as at 1 January 2024	16,547,396	4,320,270	70,745,891	91,613,557
Movements with P&L impact				
- Transfers from stage 1 to stage 2	(1,518,179)	1,518,179	-	-
- Transfers from stage 2 to stage 3	807,262	(807,262)	-	-
- Transfers to stage 3	(112,103)	(2,937,983)	3,050,086	-
- Transfers from stage 3	1,818,086	2,652,666	(4,470,752)	-
New loans disbursed	10,999,203	3,084,371	29,453,131	43,536,705
Repayments	(6,219,600)	(2,900,542)	4,691,293	(4,428,848)
Net movement in gross loans	**5,774,669**	**609,429**	**32,723,758**	**39,107,856**
Other movements with no P&L impact Financial asset derecognised	-	-	(62,188,148)	(62,188,148)
Loss allowance as at 31 December 2024	**22,322,065**	**4,929,699**	**41,281,501**	**68,533,266**

Below is a transitional table between stages between 1 January 2023 to 31 December 2023:

31 December 2023	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Loss allowance as at 1 January 2023	16,547,396	4,320,270	70,745,891	91,613,557
Movements with P&L impact				
- Transfers from stage 1 to stage 2	(1,151,303)	1,151,303	-	-
- Transfers from stage 2 to stage 3	1,991,337	(1,991,337)	-	-
- Transfers to stage 3	(3,427,823)	(20,683,409)	24,111,231	-
- Transfers from stage 3	399,059	113,873	(512,932)	-
ECL on new exposure raised	1,406,398	589,005	3,511,580	5,506,983
Subsequent changes in ECL	2,593,437	(5,490,515)	13,838,554	10,941,476
Net movement in gross loans	**1,811,106**	**(26,311,079)**	**40,948,432**	**16,448,459**
Other movements with no P&L impact Financial asset derecognised	-	-	(4,459,663)	(8,926,593)
Loss allowance as at 31 December 2023	**16,547,396**	**4,320,270**	**70,745,891**	**91,613,558**

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.9 Loss Allowance-Investment securities

The table below presents the credit quality of financial instruments:

Credit quality	31 Dec 2024	31 Dec 2023
Balances with National Bank of Rwanda	251,960,273	308,520,650
- Counterparty without credit rating		
Government securities		
B+	266,736,421	175,768,193
Loans and advances	1,522,516,906	1,336,387,537
Counterparties without credit rating		
Other assets	17,434,669	9,266,633
Counterparties without credit rating		

Collateral and other credit enhancements

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

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

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

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured. Derivatives are not collateralised. The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

The Group adopts a conservative approach in the foreclosure of mortgages and considers the foreclosure as a las t resort. After all the recovery options have failed, the bank will seek for approval from the Rwanda Development Board (RDB). Once the permit is given to the Bank, a Bailiff is appointed who in turn will begin the auction process. The auction process is open, and anyone is invited to participate. In the case that there is no outright buyer, the Group normally considers acquiring the asset, in which case it will hold for a maximum of one year, and this is classified as assets held for sale.

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.9 Loss Allowance-Investment securities

Collateral and other credit enhancements

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

The Bank prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically.

The principal collateral types for loans and advances are:

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

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured. Derivatives are not collateralised. The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

The Group adopts a conservative approach in the foreclosure of mortgages and considers the foreclosure as a las t resort. After all the recovery options have failed, the bank will seek for approval from the Rwanda Development Board (RDB). Once the permit is given to the Bank, a Bailiff is appointed who in turn will begin the auction process. The auction process is open, and anyone is invited to participate. In the case that there is no outright buyer, the Group normally considers acquiring the asset, in which case it will hold for a maximum of one year, and this is classified as assets held for sale.

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. In the case of repossession, the group recognises the collateral as asset held for sale and derecognises the financial assets within one year. As at 31 December 2024, the Group did not hold any collaterals re-possessed.

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.9 Loss Allowance-Investment securities

The table below presents the credit quality of financial instruments:

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

Corporate	Stage 1	Stage 2	Stage 3	Gross Loans	Impairment allowance	Carrying amount	Fair value of collateral
Overdrafts	272,440,290	2,254,748	5,459,917	280,154,955	(6,522,506)	273,632,448	282,369,755
Treasury loans	138,866,679	10,312,284	1,469,539	150,648,503	(8,472,197)	142,176,306	296,350,555
Equipment loans	726,284,086	17,420,238	33,971,138	777,675,461	(24,603,086)	753,072,375	906,350,095
Consumer loans	2,804,366	197,065	714,106	3,715,536	(675,470)	3,040,066	–
Mortgage loans	31,786,586	507,387	1,569,698	33,863,670	(1,226,521)	32,637,150	3,949,328
Others	–	–	–	–	–	–	–
	1,172,182,007	**30,691,721**	**43,184,398**	**1,246,058,126**	**(41,499,780)**	**1,204,558,345**	**1,489,019,734**
Retail							
Overdrafts	513,104	5,173	4,329,050	4,847,328	(3,757,610)	1,089,718	124,490,488
Treasury loans	494,181	15,216	21,213	530,611	(17,194)	513,417	135,133,783
Equipment loans	3,427,018	232,996	788,413	4,448,427	(587,786)	3,860,641	225,072,021
Consumer loans	135,256,508	5,810,147	20,048,793	161,115,448	(21,221,508)	139,893,940	65,224,820
Mortgage loans	98,577,195	4,581,668	2,358,104	105,516,967	(1,449,387)	104,067,580	160,936,844
Others	–	–	–	–	–	–	–
	238,268,007	**10,645,200**	**27,545,574**	**276,458,781**	**(27,033,485)**	**249,425,296**	**710,857,956**
Overdrafts	272,953,394	2,259,921	9,788,967	285,002,283	(10,280,117)	274,722,166	406,860,243
Treasury loans	139,360,860	10,327,500	1,490,753	151,179,113	(8,489,391)	142,689,723	431,484,338
Equipment loans	729,711,104	17,653,234	34,759,551	782,123,888	(25,190,872)	756,933,016	1,131,422,116
Consumer loans	138,060,874	6,007,212	20,762,898	164,830,985	(21,896,979)	142,934,006	65,224,820
Mortgage loans	130,363,781	5,089,055	3,927,802	139,380,637	(2,675,908)	136,704,730	164,886,172
Others	–	–	–	–	–	–	–
	1,410,450,013	**41,336,922**	**70,729,971**	**1,522,516,906**	**(68,533,266)**	**1,453,983,641**	**2,199,877,689**

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

As at 31 December 2023

Corporate	Stage 1	Stage 2	Stage 3	Gross Loans	Impairment allowance	Maximum exposure to credit risk	Fair value of collateral	Net exposure/ surplus collateral
Overdrafts	272,440,289	2,254,748	5,459,917	280,154,954	(6,522,506)	273,632,448	282,369,756	(8,737,308)
Treasury loans	138,866,679	10,312,284	1,469,539	150,648,503	(8,472,197)	142,176,306	296,350,555	(154,174,249)
Equipment loans	726,284,086	17,420,238	33,971,138	777,675,461	(24,603,086)	753,072,375	906,350,095	(153,277,720)
Consumer loans	2,804,366	197,065	714,106	3,715,536	(675,470)	3,040,066	-	3,040,066
Mortgage loans	31,786,586	507,387	1,569,698	33,863,670	(1,226,521)	32,637,150	3,949,328	28,687,822
	1,172,182,006	**30,691,721**	**43,184,398**	**1,246,058,126**	**(41,499,780)**	**1,204,558,345**	**1,489,019,734**	**(284,461,389)**
Retail								
Overdrafts	513,106	5,173	4,329,050	4,847,328	(3,757,611)	1,089,718	124,490,488	(123,400,770)
Treasury loans	494,181	15,216	21,213	530,611	(17,194)	513,417	135,133,783	(134,620,366)
Equipment loans	3,427,018	232,996	788,413	4,448,427	(587,786)	3,860,641	225,072,021	(221,211,380)
Consumer loans	135,256,508	5,810,147	20,048,793	161,115,448	(21,221,508)	139,893,940	65,224,820	74,669,120
Mortgage loans	98,577,195	4,581,668	2,358,104	105,516,967	(1,449,387)	104,067,580	160,936,844	(56,869,264)
	238,268,008	**10,645,200**	**27,545,574**	**276,458,781**	**(27,033,486)**	**249,425,296**	**710,857,956**	**(461,432,660)**
Total								
Overdrafts	272,953,395	2,259,921	9,788,967	285,002,283	(10,280,117)	274,722,166	406,860,243	(132,138,077)
Treasury loans	139,360,860	10,327,500	1,490,753	151,179,113	(8,489,391)	142,689,723	431,484,338	(288,794,615)
Equipment loans	729,711,104	17,653,234	34,759,551	782,123,888	(25,190,872)	756,933,016	1,131,422,116	(374,489,100)
Consumer loans	138,060,874	6,007,212	20,762,898	164,830,985	(21,896,979)	142,934,006	65,224,820	77,709,186
Mortgage loans	130,363,781	5,089,055	3,927,802	139,380,637	(2,675,908)	136,704,730	164,886,172	(28,181,442)
Total	**1,182,102,463**	**68,157,036**	**86,197,322**	**1,336,456,821**	**(91,613,557)**	**1,244,843,264**	**1,525,826,388**	**1,525,826,388**

The loss allowance recognised in the year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period (see note 5.1.6)

Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

As at 31 December 2023

Corporate	Stage 1	Stage 2	Stage 3	Gross Loans	Impairment allowance	Maximum exposure to credit risk	Fair value of collateral	Net exposure/ surplus collateral
Overdrafts	560,433,055	24,164,044	65,571,814	650,168,913	(65,141,537)	585,027,376	201,439,713	383,587,663
Treasury loans	19,442,990	303,920	1,444,427	21,191,338	(1,013,448)	20,177,890	78,250,395	(58,072,505)
Equipment loans	327,570,940	33,969,984	4,205,745	365,746,669	(7,905,261)	357,841,408	941,883,361	(584,041,953)
Consumer loans	2,340,944	143,309	289,230	2,773,484	(337,154)	2,436,330	-	2,436,330
Mortgage loans	50,360,460	323,010	529,641	51,213,111	(1,175,708)	50,037,403	70,884,331	(20,846,928
	960,148,389	**58,904,268**	**72,040,858**	**1,091,093,515**	**(75,573,108)**	**1,015,520,407**	**1,292,457,800**	**(276,937,393)**
Retail								
Overdrafts	17,826,221	1,679,317	4,782,387	24,287,925	(4,658,238)	19,629,687	149,890,110	(130,260,423)
Treasury loans	466,925	3,773	0	470,698	(4,244)	466,453	14,409,370	(13,942,917)
Equipment loans	919,611	219,917	144,879	1,284,407	(140,337)	1,144,070	35,225,871	(34,081,801)
Consumer loans	138,025,636	5,500,204	8,423,536	151,949,376	(10,119,897)	141,829,479	403,079	141,426,400
Mortgage loans	64,715,682	1,849,557	805,662	67,370,901	(1,117,732)	66,253,169	33,440,159	32,813,010
	221,954,074	**9,252,768**	**14,156,464**	**245,363,306**	**(16,040,449)**	**229,322,858**	**233,368,589**	**(4,045,731)**
Total								
Overdrafts	578,259,276	25,843,361	70,354,201	674,456,839	(69,799,776)	604,657,063	351,329,822	253,327,241
Treasury loans	19,909,914	307,694	1,444,427	21,662,035	(1,017,692)	20,644,343	92,659,764	(72,015,421)
Equipment loans	328,490,551	34,189,901	4,350,624	367,031,076	(8,045,598)	358,985,478	977,109,234	(618,123,756)
Consumer loans	140,366,580	5,643,513	8,712,766	154,722,859	(10,457,051)	144,265,809	403,079	143,862,730
Mortgage loans	115,076,141	2,172,567	1,335,303	118,584,012	(2,293,440)	116,290,572	104,324,489	11,966,083
Total	**1,182,102,463**	**68,157,036**	**86,197,322**	**1,336,456,821**	**(91,613,557)**	**1,244,843,264**	**1,525,826,388**	**(280,983,124)**


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Notes to the Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.1.10 Write-off policy

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

The Group may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December 2024 was FRw 61,590,410,000 (2023: FRw 4,459,663,000) The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

4.1.11 Modification of financial assets

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

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

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

	31 December 2024		31 December 2023	
	FRw'000	%age	FRw'000	%age
Large Corporate	975,967,670	64.1%	856,787,935	75.06%
SMEs	207,402,671	13.6%	206,305,984	11.30%
Agri business	62,687,785	4.1%	27,999,595	1.27%
Retail Banking	276,458,781	18.2%	245,363,306	12.37%
Gross loans	**1,522,516,906**	**100.0%**	**1,336,456,821**	**100.0%**

4.3. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

Financial Statements
For The Year Ended 31 December 2024

4. Financial Risk Management (Continued)

4.3. Liquidity risk (Continued)

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. Details of the reported Group's ratio of net liquid assets to deposits from customers at the reporting date and during the reporting year were as follows:

	31 December 2024	31 December 2023
At close of the year	42.9%	48.9%
Average for the year	45.2%	46.3%
Maximum for the year	49.5%	49.8%
Minimum for the year	39.7%	40.8%
Minimum statutory requirement	20.0%	20.0%

The table below summarizes the Group's liquidity risk as at 31 December 2024 and 31 December 2023, categorized into relevant maturity rankings based on undiscounted contractual cash flows.

Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.2. Liquidity risk (continued)

The table below summarizes The Group's liquidity risk as at 31 December 2024, categorized into relevant maturity rankings based on undiscounted cash flows:

2024						
ASSETS	**Up to 1 month Frw '000**	**1 - 3 months Frw '000**	**3 - 12 months Frw '000**	**1 - 5 years Frw '000**	**Over 5 years Frw '000**	**Total Frw '000**
Balances with the National Bank of Rwanda	303,508,101	-	-	-	-	303,508,101
Cash balance with other banks	274,657,809	26,215,437	-	-	-	300,873,246
Held to maturity investments	13,928,710	26,441,920	80,217,555	62,130,972	5,440,378	188,159,535
Investment in corporate Bond		-	20,562,064	-	-	20,562,064
Investment in specialized funds	1,210,651	-	7,842,333	5,482,888		14,535,872
Loans and advances to customers	132,926,980	15,111,951	33,925,502	290,855,111	787,206,090	1,260,025,634
Other assets	6,645,368	1,190,694	4,752,834	-	-	12,588,896
Insurance Contract Assets	-		5,111,545			5,111,545
Reinsurance contract Asset	-		2,515,513			2,515,513
SWAP receivables	-	-	8,170,666	5,886,737	-	14,057,403
Total Assets	**732,877,619**	**68,960,002**	**163,098,012**	**364,355,708**	**792,646,468**	**2,121,937,809**
Liabilities And Equity						
Due to banks	157,985,072	5,299,713	14,200,419	17,699,402	-	195,184,606
Customer deposits	1,231,390,465	10,209,555	124,616,740	20,150,624	20,157,127	1,406,524,511
Dividends payable	-	-	23,145,720	-	-	23,145,720
Other liabilities	38,351,955	4,364,158	-	-	-	42,716,113
Lease liabilities	406,294	364,000	911,316	-	-	1,681,610
Insurance contract Liabilities	-	-	10,944,628	-	-	10,944,628
Long-term Finance	-	158,771	3,649,076	36,252,000	63,662,215	103,722,062
SWAP payables	-	-	8,170,666	5,886,737	-	14,057,403
Total financial liabilities	**1,428,120,508**	**18,858,680**	**185,641,180**	**81,509,024**	**83,819,342**	**1,797,948,734**
Off balance sheet items	**21,115,132**	**15,131,919**	**82,554,962**	**62,157,252**	**402,156,100**	**583,115,365**
Net liquidity gap	**(695,242,889)**	**50,101,322**	**(22,543,168)**	**282,846,684**	**708,827,126**	**323,989,075**

Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.2. Liquidity risk (continued)

2023						
ASSETS	**Up to 1 month Frw '000**	**1 - 3 months Frw '000**	**3 - 12 months Frw '000**	**1 - 5 years Frw '000**	**Over 5 years Frw '000**	**Total Frw '000**
Cash in hand	30,615,261	-	-	-	-	30,615,261
Balances with the National Bank of Rwanda	291,598,613	-	8,170,666	5,886,737	-	305,656,016
Cash balance with other banks	244,042,548	1,003,134	-	-	-	245,045,682
Investment in securities at amortized costs	13,809,406	26,215,437	68,750,762	61,598,800	5,393,789	175,768,194
Investment in corporate Bond at amortized costs	-	-	-	16,139,396	-	16,139,396
Investment in specialised fund	1,104,027	-	-	-		1,104,027
Loans and advances to customers	131,325,309	14,929,863	33,516,725	287,350,524	777,720,843	1,244,843,264
Other assets		1,383,394	-	-	-	1,383,394
Total Assets	**712,495,164**	**43,531,828**	**110,438,153**	**370,975,457**	**783,114,632**	**2,020,555,234**
LIABILITIES		-	-	-	-	-
Due to banks	153,037,403	3,779,452	27,318,754	25,106,400	-	209,242,009
Customer deposits	1,231,390,465	10,209,555	124,616,740	20,150,624	20,157,127	1,406,524,511
Dividends payable	-	-	21,639,937	-	-	21,639,937
Other liabilities		15,851,323	-	-	-	15,851,323
Lease liabilities	393,016	346,744	-	-	-	739,760
Long-term Finance	-	-	10,687,181	59,862,155	42,062,614	112,611,950
Total financial liabilities	**1,397,769,740**	**18,858,680**	**185,641,180**	**81,509,024**	**83,819,342**	**1,797,948,734**
Total on balance sheet liquidity position	**(685,274,576)**	**29,196,077**	**(73,824,459)**	**265,856,278**	**720,894,891**	**256,848,211**
Off balance sheet items*	**15,597,259**	**15,131,919**	**82,554,962**	**62,157,252**	**402,156,100**	**577,597,492**
Liquidity Gap December 2023	**(695,242,889)**	**50,101,322**	**(22,543,168)**	**203,699,026**	**318,738,791**	**(320,749,281)**

***Off balance sheet items include Guarantees and commitmen**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.3 Liquidity risk (continued)

In managing its liquidity mismatch, the Bank has three sources of funding available namely its natural cash flow, investment securities assets and capacity to borrow additional funds. The Bank borrows from wholesale markets or other financial institutions long-term loans to cover for the short-term maturity gap. In addition, the analysis distinguishes between liquidity held to deal with normal conditions and additional liquidity held as a reserve for unforeseeable disruptions.

4.4. Market risk

(i) Currency risk

BK Group Plc takes on exposure to 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 and hedging strategies used to ensure that positions are maintained within the established limits.

Transactions in foreign currency are recorded at the rate in effect at the date of the transaction. BK group Plc translates monetary assets and liabilities denominated in foreign currencies at the rate of exchange in effect at the reporting date. BK group Plc records all gains or losses on changes in currency exchange rates in profit or loss.

The table below summarises the foreign currency exposure for BK Group Plc as at 31 December 2024 and 31 December 2023

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Assets in foreign currencies	793,905,783	664,872,625
Liabilities in foreign currencies	(808,897,719)	(684,020,635)
Net foreign currency exposure at the end of the year	**(14,991,936)**	**(19,148,010)**

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 BK group Plc's profit before tax (due to changes in the fair value of monetary assets and liabilities).

The Bank identify major foreign currency and create hypothetical scenarios to analyse potential impacts. The sensitivity rate considered by management of 5% is within the range recommended by National Bank of Rwanda.

Currency	Increase/ decrease in exchange rate	31 Dec 24 FRw'000	31 Dec 23 FRw'000	Increase/ decrease in exchange rate	31 Dec 24 FRw'000	31 Dec 23 FRw'000
USD	+5%	(857,840)	590,311	5%	1,216,732	876,047
	-5%	857,840	(590,311)	-5%	(1,216,732)	(876,047)
GBP	+5%	6,915	4,872	5%	113,876	81,991
	-5%	(6,915)	(4,872)	-5%	(113,876)	(81,991)
EUR	+5%	(3,324)	115	5%	37,355	26,895
	-5%	3,324	(115)	-5%	(37,355)	(26,895)

Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.2 Market risk (continued)
(i) Currency risk (continued)

The various foreign currencies to which BK Group PLC is exposed as at 31 December 2024 are summarised below. All figures are in thousands of Rwandan francs (FRw'000):

	USD	EUR	GBP	Other foreign currencies	Total
Cash in hand	5,165,519	1,859,692	1,368,698	464,108	8,858,017
Balances with the National Bank of Rwanda	137,713,735	19,129,145	123,241	6,665	156,972,786
Cash balances with other banks	350,896,685	23,448,758	1,163,114	1,454,868	376,963,425
Investment securities at amortized costs	10,823,188	-	-	-	10,823,188
Loans and advances to customers	239,419,900	-	3,593	205	239,423,698
Other financial assets	424,768	110,703	37	329,362	864,869
At 31 December 2024	**744,443,795**	**44,548,298**	**2,658,683**	**2,255,208**	**793,905,783**
Liabilities					
Deposits from banks	53,586,292	105,110	92,453	60	53,783,915
Deposits from customers	688,535,114	43,952,643	2,567,684	975,397	736,030,838
Other liabilities	6,681,372	355,205	1,735	6,097	7,044,409
Long-term finance	12,038,557	-	-	-	12,038,557
At 31 December 2024	**760,841,335**	**44,412,958**	**2,661,872**	**981,554**	**808,897,719**
Net currency exposure	**-16,397,540**	**135,340**	**-3,189**	**1,273,654**	**-14,991,735**

*Other foreign currencies include minor currencies namely UGX, TZS, CAD, ZAR, CHF, AED,KES,CYN

Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.4 Market risk (continued)
(i) Currency risk (continued)

The various foreign currencies to which BK Group Plc is exposed as at 31 December 2023 are summarised below. All figures are in thousands of Rwandan francs (FRw'000):

	USD	EUR	GBP	Other foreign currencies	Total
Cash, deposits and advances to banks	401,314,858	31,778,011	3,003,726	3,038,816	439,135,411
Loans and advances to customers	192,858,388	14,770	927	176	192,874,261
Other assets, property and investments	9,278,993	232,724	78,626	100,542	9,690,885
Swap with BNR	23,172,068	-	-	-	23,172,068
At 31 December 2023	**626,624,307**	**32,025,505**	**3,083,279**	**3,139,534**	**664,872,625**
Liabilities And Equity					
Deposits from banks	52,586,439	274,471	12,926	115,666	52,989,502
Deposits from customers	581,175,314	29,260,182	2,321,564	854,656	613,611,716
Other liabilities	2,123,168	213,337	1,698	7,182	2,345,385
Long-term finance	15,074,032	-	-	-	15,074,032
At 31 December 2023	**650,958,952**	**29,747,990**	**2,336,189**	**977,504**	**684,020,635**
Net currency exposure	**(24,334,646)**	**2,277,515**	**747,091**	**2,162,030**	**(19,148,011)**

*Other foreign currencies include minor currencies namely UGX, TZS, CAD, ZAR, CHF, AED,KES,CY

Notes to the Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.3. Market risk (continued)

4.6 Interest rate risk

Interest rate is the risk that the future cash flows of financial instruments will fluctuate because of changes in the market interest rates. Interest margin may increase as a result of such changes but may reduce losses in the event that unexpected movement arises. BK group Plc closely monitors interest rate movements and seeks to limit its exposure by managing the interest rate and maturity structure of assets and liabilities carried on the statement of financial position.

Analysis interest rate risk

Except for some borrowings that are tagged to Secured Overnight Financing Rate(SOFR) , all financial instruments entered into by The bank are subsequently measured at amortised cost and attract fixed interest rates and therefore not prone to interest rate fluctuations. The impact of fluctuations in the Secured Overnight Financing Rate is not expected to have a significant effect on the results of the group.

The tables below summaries the Group's interest -bearing financial instruments as at 31 December 2024

ASSETS	Weighted interest rate	On demand Frw'000	Less than 3 months Frw'000	Less than 3 months Frw'000	Less than 3 months Frw'000	Less than 3 months Frw'000	Total Frw'000
Cash balances with other banks	4.8%	387,510,889	-	-	-	-	387,510,889
Investment securities at amortized costs	10.5%	-	188,012,803	43,150,820	7,598,079	22,241,274	261,002,975
Investment in corporate bond at amortized costs	10.2%	-	1,272,500	289,273	19,816,649	-	21,378,422
Investment in specialized fund	9.8%	1,050,258	-	-	-	-	1,050,258
Loans and advances – net	14.7%	-	152,350,500	158,095,682	656,930,753	486,606,706	1,453,983,641
Total Assets		**388,561,147**	**341,635,803**	**201,535,774**	**684,345,481**	**508,847,979**	**2,124,926,184**
LIABILITIES							
Due to banks	3.6%	30,504,194	61,940,658	39,565,607	-		132,010,459
Deposits & balances from customers	6.8%	405,159,277	95,866,639	138,539,142	225,961,935	47,540,042	913,067,035
Lease liabilities	7.5%			209,967	2,006,452		2,216,419
Long-term finance	8.1%	-	2,363,443	16,920,590	61,383,435	31,283,831	111,951,299
Total liabilities		**435,663,471**	**160,170,740**	**195,025,339**	**287,345,370**	**78,823,874**	**1,157,028,792**
Total interest sensitivity gap		**(47,102,324)**	**181,465,063**	**6,510,435**	**397,000,112**	**430,024,106**	**967,897,392**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.1. Credit risk (continued)

The following is an analysis of BK Group Plc's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position:

The table below summarizes the interest rate risk of Bank of Kigali Plc as at 31 December 2023:

ASSETS	Weighted interest rate	On demand Frw'000	Less than 3 months Frw'000	Less than 3 months Frw'000	Less than 3 months Frw'000	Less than 3 months Frw'000	Total Frw'000
Cash balances with other banks	4.1%	241,177,914	1,003,134	-	-	-	242,181,048
Investment securities at amortized costs	10.4%	-	40,024,843	68,750,762	61,598,800	5,393,789	175,768,194
Investment in corporate bond at amortized costs	11.0%	-	-	-	16,139,396	-	16,139,396
Investment in specialized fund	9.7%	1,104,027	-	-	-	-	1,104,027
Loans and advances – net	14.6%	-	146,255,172	33,516,725	287,350,524	777,720,843	1,244,843,264
Total Assets		**245,146,575**	**187,283,150**	**102,267,487**	**365,088,720**	**783,114,632**	**1,682,900,563**
LIABILITIES							
Due to banks	1.2%	86,270,314	3,779,452	114,478,765	19,219,663	-	223,748,193
Deposits & balances from customers	8.4%	308,759,715	10,000,076	117,248,472	18,592,723	18,598,723	473,199,709
Lease liabilities	7.5%		393,015	346,744			739,759
Long-term finance	9.6%		10,687,181	54,640,971	54640971	38,393,908	10,687,181
Total liabilities		**395,030,029**	**13,779,528**	**242,414,418**	**92,453,357**	**56,992,631**	**800,669,963**
Total interest sensitivity gap		**(149,883,455)**	**173,503,622**	**6,510,435**	**272,635,363**	**726,122,001**	**882,230,599**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

5 Capital management

The primary objective of the Group's capital management is to ensure that the Group, Bank and Insurance subsidiaries comply with capital requirements and maintain healthy capital ratios in order to support its business and to maximise shareholders' value.

The Group maintains an actively managed capital base to cover risks inherent in the businesses. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the National Bank of Rwanda. The National Bank of Rwanda sets and monitors capital requirements for the banking and insurance industries.

In implementing current capital requirements, the National Bank of Rwanda requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets for its banking business and maintaining adequate capital and solvency for the insurance business.

The Group's bank subsidiary regulatory capital is analysed into two tiers:

- Core Capital (Tier 1) capital, which includes ordinary share capital, share premium, retained earnings, after deductions for investments in financial institutions, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes; and
- Supplementary Capital (Tier 2) includes the regulatory reserve.

Various limits are applied to elements of the capital base.

The Group 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 recognised and the Group recognises 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 Group Insurance subsidiary capital:

The Group'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 as set out in the Insurance Regulations;
- to comply with regulatory solvency requirements as set out in the Insurance Regulations;
- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

The Insurance Law (Law No. 05/2009 of 29/07/2009 on licensing and other requirements for carrying insurance business in Rwanda) requires separation of the life and non-life insurance businesses into separate companies and each of the companies to hold a minimum level of paid up capital of FRw 1 billion.

General insurance businesses are required to maintain a solvency margin (admitted assets less admitted liabilities) equivalent to the higher of FRw 500 million or 20% of the net premium income during the preceding financial year.

The capital and regulatory solvency thresholds were effective from July 2011 and the company was therefore required to comply with them for the period ended 31 December 2021. During the year the Company held the minimum capital required to meet the solvency margins

The Company's paid up Capital at the end of 2021 is presented on the next page. The table below summarises the solvency margin of the Company at 31 December 2024 and 2023:

Notes to the Financial Statements
For The Year Ended 31 December 2024

Financial Risk Management (Continued)

4.4 Capital management

Below is the solvency margin status as at 31 December which is the key indicator of company capital adequacy:

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Solvency Margin Required	2,184,605	1,462,450
Admitted Assets	24,971,643	23,866,800
Admitted Liabilities	17,662,028	(16,524,123)
Solvency Margin Available	7,309,615	7,342,677
Excess on Solvency Required	5,125,009	5,880,227
Solvency Ratio	**334.6%**	**502.1%**

The Group's capital position was as follows:

	31 Dec 24 FRw'000	31 Dec 23 FRw'000
Capital Strength		
Core capital (Tier 1)	377,388,017	344,160,868
Supplementary capital (Tier 2)	23,959,999	23,919,192
Total Capital	**401,348,016**	**368,080,060**
Total risk weighted assets		
Total Credit Risk Weighted Assets	1,717,599056	1,717,599056
Total Market Risk Weighted Assets	25,625,490	25,625,490
Total Operational Risk Weighted Assets	173,575,397	173,575,397
Total Risk weighted assets	**1,916,799,942**	**3,274,998**
Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	**21%**	**24%**
Tier 2 ratio	0.0215	0.015
Leverage ratio	12%	12%

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management

Significant judgements and estimates

Some of the insurance contracts that have been written in the property line of business permit the Company to sell property acquired in settling a claim. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

v). Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates. Discount rates applied for discounting of future cash flows are listed below:

vi). Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management

Significant judgements and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose major product lines namely, marine, property, personal accident insurance and liability reinsurance issued. This disaggregation has been determined based on how the Company is managed.

i). Insurance and reinsurance contracts

The Group applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

ii). Liability for remaining coverage

Insurance acquisition cash flows

The Group has adopted both approaches depending on the nature of group contracts.
For a one-year business, acquisition cashflow is expensed as incurred, or allocated using a systematic basis and rational method to group of insurance contracts.
For all other businesses longer than one year, such as engineering and guarantee, insurance acquisition cashflow are amortized over the coverage period of the related group.
The asset for insurance acquisition cashflow is derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

iii). Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bereuter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types.

iv). Liability for incurred claims

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (Continued)

Insurance and reinsurance contracts

The breakdown of groups of insurance contracts issued, that are in an asset position and those in a liability position is set out in the table below:

i. Re-insurance contract assets

Rwf'000	2024			2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Reinsurance contract issued						
Accident	8,811	5,109	3,702	6,485	2,646	3,839
Motor	650,652	377,267	273,385	710,179	289,798	420,381
Engineering	500,769	290,361	210,408	701,989	286,456	415,533
Property	751,732	435,876	315,856	485,898	198,277	287,621
Transportation	23,320	13,522	9,798	10,628	4,337	6,291
Guarantee	75,774	43,936	31,838	80,338	32,783	47,555
Liability	90,887	52,699	38,188	67,664	27,611	40,053
Miscellaneous	755,464	438,040	317,424	452,332	184,580	267,752
Total Reinsurance contracts issued	**2,857,409**	**1,656,810**	**1,200,600**	**2,515,513**	**1,026,488**	**1,489,025**

ii. Insurance contract liabilities

Rwf'000	2024			2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Insurance contract issued						
Accident	2,309	83,872	81,563	2,509	91,898	89,389
Motor	188,947	1,138,828	949,881	210,930	4,765,092	4,554,163
Engineering	53,554	662,122	608,568	66,957	823,251	756,294
Property	102,164	828,609	726,445	57,569	534,184	476,615
Transportation	1,679	6,443	4,764	2,204	4,880	2,676
Guarantee	17,834	134,114	116,280	2,947	163,155	160,207
Liability	1,893	90,505	88,612	2,599	128,796	126,196
Miscellaneous	99,522	551,621	452,099	52,833	(226,580)	(279,412)
Total Reinsurance contracts issued	**467,903**	**3,496,110**	**3,028,212**	**398,548**	**6,284,675**	**5,886,127**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (Continued)

Insurance and reinsurance contracts

i). Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately:

- Motor
- Property
- Engineering
- Transportation/Marine
- Guarantee
- Accident
- Liability, and
- Miscellaneous

This disaggregation has been determined based on how the company is managed.

Notes to the Financial Statements
For The Year Ended 31 December 2024

Motor insurance-Liability for insurance contracts 2024

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	236,503	3,493,735	776,770	71,673	4,578,681
Insurance Contract Assets Bop	-	-	(210,930)	-	(210,930)
Net Balance Bop	236,503	3,493,735	565,840	71,673	4,367,751
Insurance Revenue	-	-	(9,216,953)	-	(9,216,953)
Insurance Service Expense	(161,858)	4,815,561	570,910	(71,673)	5,152,940
Incurred Claims	-	4,077,019	-	-	4,077,019
Directly Attributable Expenses	-	738,542	-	-	738,542
Adjustment To Liabilities For Incurred Claims	(161,858)	-	-	-	(161,858)
Losses On Onerous Contracts & Reversal Of Those Losses	-	-	-	(71,673)	(71,673)
Acquisition Cash Flows Amortization	-	-	570,910	-	570,910
Insurance Service Result	(161,858)	4,815,561	(8,646,043)	(71,673)	(4,064,013)
Insurance Finance Expense Total	-	(42,790)	-	-	(42,790)
Therefore Recognized In Pnl	-	(42,790)	-	-	(42,790)
Cash Flows	-	(4,605,307)	5,294,240	-	688,933
Premiums Received	-	-	5,843,168	-	5,843,168
Claims Excl Non Distinct Investment Component Paid	-	(3,866,764)	-	-	(3,866,764)
Directly Attributable Expenses Paid	-	(738,542)	-	-	(738,542)
Insurance Acquisition Cash Flows	-	-	(548,928)	-	(548,928)
Insurance Contract Liabilities Eop	74,644	3,661,199	(2,597,015)	-	1,138,828
Insurance Contract Assets Eop	-	-	(188,947)	-	(188,947)
Net Balance Eop	**74,644**	**3,661,199**	**(2,785,963)**	**-**	**949,881**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Liability for insurance contracts 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Motor Product year end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	185,487	2,727,502	734,918	3	3,647,910
Insurance Contract Assets Bop	-	-	(164,183)	-	(164,183)
Net Balance Bop	185,487	2,727,502	570,735	3	3,483,727
Insurance Revenue	-	-	(7,881,938)	-	(7,881,938)
Insurance Service Expense	51,016	4,549,827	446,517	71,670	5,119,030
Incurred Claims	-	4,083,020	-	-	4,083,020
Directly Attributable Expenses	-	466,807	-	-	466,807
Adjustment To Liabilities For Incurred Claims	51,016	-	-	-	51,016
Losses On Onerous Contracts & Reversal Of Those Losses	-	-	-	71,670	71,670
Acquisition Cash Flows Amortization	-	-	446,517	-	446,517
Insurance Service Result	51,016	4,549,827	(7,435,421)	71,670	(2,762,908)
Insurance Finance Expense Total	-	(9,343)	-	-	(9,343)
Therefore Recognized In Pnl	-	(9,343)	-	-	(9,343)
Cash Flows	-	(3,774,252)	7,616,939	-	3,842,687
Premiums Received	-	-	8,110,203	-	8,110,203
Claims Excl Non Distinct Investment Component Paid	-	(3,307,445)	-	-	(3,307,445)
Directly Attributable Expenses Paid	-	(466,807)	-	-	(466,807)
Insurance Acquisition Cash Flows	-	-	(493,264)	-	(493,264)
Insurance Contract Liabilities Eop	236,503	3,493,734	963,183	71,673	4,765,092
Insurance Contract Assets Eop	-	-	(210,930)	-	(210,930)
Net Balance Eop	**236,503**	**3,493,734**	**752,253**	**71,673**	**4,554,163**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Property

Liability for insurance contracts 2024
The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Property year end 2024, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	5,446	132,798	395,940	-	534,184
Insurance Contract Assets Bop	-	-	(57,569)	-	(57,569)
Net Balance Bop	5,446	132,798	338,371	-	476,615
Insurance Revenue	-	-	(1,974,806)	-	(1,974,806)
Insurance Service Expense	37,501	352,992	112,277	-	502,770
Incurred Claims	-	256,727	-	-	256,727
Directly Attributable Expenses	-	96,265	-	-	96,265
Adjustment To Liabilities For Incurred Claims	37,501	-	-	-	37,501
Acquisition Cash Flows Amortization	-	-	112,277	-	112,277
Insurance Service Result	37,501	352,992	(1,862,529)	-	(1,472,036)
Insurance Finance Expense Total	-	(34,131)	-	-	(34,131)
Therefore Recognized In Pnl	-	(34,131)	-	-	(34,131)
Therefore Recognized In Oci	-	-	-	-	-
Cash Flows	-	(166,385)	1,922,382	-	1,755,997
Premiums Received	-	-	2,079,253	-	2,079,253
Claims Excl Non Distinct Investment Component Paid	-	(70,121)	-	-	(70,121)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(96,265)	-	-	(96,265)
Insurance Acquisition Cash Flows	-	-	(156,872)	-	(156,872)
Insurance Contract Liabilities Eop	42,947	285,274	500,387	-	828,609
Insurance Contract Assets Eop	-	-	(102,164)	-	(102,164)
Net Balance Eop	**42,947**	**285,274**	**398,223**	**-**	**726,444**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Liability for insurance contracts 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Property year end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	4,252	62,642	98,544	-	165,438
Insurance Contract Assets Bop	-	-	(44,098)	-	(44,098)
Net Balance Bop	4,252	62,642	54,446	-	121,340
Insurance Revenue	-	-	(1,601,995)	-	(1,601,995)
Insurance Service Expense	1,194	238,859	98,694	-	338,747
Incurred Claims	-	134,133	-	-	134,133
Directly Attributable Expenses	-	104,727	-	-	104,727
Adjustment To Liabilities For Incurred Claims	1,194	-	-	-	1,194
Losses On Onerous Contracts & Reversal Of Those Losses	-	-	-	-	-
Acquisition Cash Flows Amortization	-	-	98,694	-	98,694
Insurance Service Result	1,194	238,859	(1,503,301)	-	(1,263,247)
Insurance Finance Expense Total	-	2,596	-	-	2,596
Therefore Recognized In Pnl	-	2,596	-	-	2,596
Cash Flows	-	(171,299)	1,787,226	-	1,615,927
Premiums Received	-	-	1,899,391	-	1,899,391
Claims Excl Non Distinct Investment Component Paid	-	(66,572)	-	-	(66,572)
Directly Attributable Expenses Paid	-	(104,727)	-	-	(104,727)
Insurance Acquisition Cash Flows	-	-	(112,165)	-	(112,165)
Insurance Contract Liabilities Eop	5,446	132,798	395,940	-	534,184
Insurance Contract Assets Eop	-	-	(57,569)	-	(57,569)
Net Balance Eop	**5,446**	**132,798**	**338,371**	**-**	**476,615**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Engineering

Liability for insurance contract year end 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Engineering product line for year end 2024, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	10,339	180,193	583,731	48,988	823,251
Insurance Contract Assets Bop	-	-	(66,957)	-	(66,957)
Net Balance Bop	10,339	180,193	516,774	48,988	756,294
Insurance Revenue	-	-	(862,612)	-	(862,612)
Insurance Service Expense	(3,404)	152,235	31,200	(48,988)	131,043
Incurred Claims	-	114,781	-	-	114,781
Directly Attributable Expenses	-	37,455	-	-	37,455
Adjustment To Liabilities For Incurred Claims	(3,404)	-	-	-	(3,404)
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	(48,988)	(48,988)
Acquisition Cash Flows Amortization	-	-	31,200	-	31,200
Insurance Service Result	(3,404)	152,235	(831,412)	(48,988)	(731,569)
Insurance Finance Expense Total	-	7,405	-	-	7,405
Therefore Recognized In Pnl	-	7,405	-	-	7,405
Cash Flows	-	(228,591)	805,029	-	576,437
Premiums Received	-	-	822,826	-	822,826
Claims Excl Non Distinct Investment Component Paid	-	(191,137)	-	-	(191,137)
Directly Attributable Expenses Paid	-	(37,455)	-	-	(37,455)
Insurance Acquisition Cash Flows	-	-	(17,797)	-	(17,797)
Insurance Contract Liabilities Eop	6,935	111,241	543,945	-	662,122
Insurance Contract Assets Eop	-	-	(53,554)	-	(53,554)
Net Balance Eop	**6,935**	**111,241**	**490,391**	**-**	**608,568**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Engineering (Continued)

Liability for insurance contract year end 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Liability product line for year-end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	14,102	207,771	167,716	-	389,589
Insurance Contract Assets Bop	-	-	(7,849)	-	(7,849)
Net Balance Bop	14,102	207,771	159,868	-	381,740
Insurance Revenue	-	-	(652,667)	-	(652,667)
Insurance Service Expense	(3,763)	231,597	37,508	48,988	314,331
Incurred Claims	-	173,821	-	-	173,821
Directly Attributable Expenses	-	57,776	-	-	57,776
Adjustment To Liabilities For Incurred Claims	(3,763)	-	-	-	(3,763)
Losses On Onerous Contracts & Reversal Of Those Losses	-	-	-	48,988	48,988
Acquisition Cash Flows Amortization	-	-	37,508	-	37,508
Insurance Service Result	(3,763)	231,597	(615,159)	48,988	(338,336)
Insurance Finance Expense Total	-	8,853	-	-	8,853
Therefore Recognized In Pnl	-	8,853	-	-	8,853
Cash Flows	-	(268,029)	972,066	-	704,037
Premiums Received	-	-	1,068,682	-	1,068,682
Claims Excl Non Distinct Investment Component Paid	-	(210,252)	-	-	(210,252)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(57,776)	-	-	(57,776)
Insurance Acquisition Cash Flows	-	-	(96,616)	-	(96,616)
Insurance Contract Liabilities Eop	10,339	180,193	583,731	48,988	823,251
Insurance Contract Assets Eop	-	-	(66,957)	-	(66,957)
Net Balance Eop	**10,339**	**180,193**	**516,774**	**48,988**	**756,294**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Liability

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Liability product year end 2024, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	2,905	33,354	61,945	30,591	128,795
Insurance Contract Assets Bop	-	-	(2,599)	-	(2,599)
Net Balance Bop	2,905	33,354	59,346	30,591	126,196
Insurance Revenue	-	-	(401,581)	-	(401,581)
Insurance Service Expense	(2,106)	16,622	5,892	(30,591)	(10,183)
Incurred Claims	-	969	-	-	969
Directly Attributable Expenses	-	15,654	-	-	15,654
Adjustment To Liabilities For Incurred Claims	(2,106)	-	-	-	(2,106)
Losses On Onerous Contracts & Reversal Of Those Losses	-	-	-	(30,591)	(30,591)
Acquisition Cash Flows Amortization	-	-	5,892	-	5,892
Insurance Service Result	(2,106)	16,622	(395,689)	(30,591)	(411,764)
Insurance Finance Expense Total	-	5,220	-	-	5,220
Therefore Recognized In Pnl	-	5,220	-	-	5,220
Therefore Recognized In Oci	-	-	-	-	-
Total Amounts Recognised In Comprehensive Income	-	-	-	-	-
Investment Components	-	-	-	-	-
Other Changes	-	-	-	-	-
Cash Flows	-	(36,614)	405,574	-	368,960
Premiums Received	-	-	410,760	-	410,760
Claims Excl Non Distinct Investment Component Paid	-	(20,961)	-	-	(20,961)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(15,654)	-	-	(15,654)
Insurance Acquisition Cash Flows	-	-	(5,186)	-	(5,186)
Insurance Contract Liabilities Eop	799	18,581	71,125	-	90,505
Insurance Contract Assets Eop	-	-	(1,893)	-	(1,893)
Net Balance Eop	**799**	**18,581**	**69,232**	**-**	**88,612**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)

Roll forward of liability of insurance contract (Continued)

Liability for insurance contracts -Liability 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Liability product year end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	1,322	19,475	42,679	-	63,476
Insurance Contract Assets Bop	-	-	(2,422)	-	(2,422)
Net Balance Bop	1,322	19,475	40,257	-	61,054
Insurance Revenue	-	-	(150,989)	-	(150,989)
Insurance Service Expense	1,583	45,447	4,530	30,591	82,151
Incurred Claims	-	36,196	-	-	36,196
Directly Attributable Expenses	-	9,251	-	-	9,251
Adjustment To Liabilities For Incurred Claims	1,583	-	-	-	1,583
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	30,591	30,591
Acquisition Cash Flows Amortization	-	-	4,530	-	4,530
Insurance Service Result	1,583	45,447	(146,458)	30,591	(68,837)
Insurance Finance Expense Total	-	(4,533)	-	-	(4,533)
Therefore Recognized In Pnl	-	(4,533)	-	-	(4,533)
Cash Flows	-	(27,035)	165,548	-	138,513
Premiums Received	-	-	170,255	-	170,255
Claims Excl Non Distinct Investment Component Paid	-	(17,784)	-	-	(17,784)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(9,251)	-	-	(9,251)
Insurance Acquisition Cash Flows	-	-	(4,708)	-	(4,708)
Insurance Contract Liabilities Eop	2,905	33,354	61,945	30,591	128,796
Insurance Contract Assets Eop	-	-	(2,599)	-	(2,599)
Net Balance Eop	**2,905**	**33,354**	**59,346**	**30,591**	**126,196**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Accident

Liability for insurance contracts -Accident 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for accident insurance product line for year end 2024, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	3,495	51,822	30,993	5,587	91,898
Insurance Contract Assets Bop	-	-	(2,509)	-	(2,509)
Net Balance Bop	3,495	51,822	28,484	5,587	89,388
Insurance Revenue	-	-	(90,059)	-	(90,059)
Insurance Service Expense	(970)	6,098	7,631	(5,587)	7,172
Incurred Claims	-	(1,483)	-	-	(1,483)
Directly Attributable Expenses	-	7,581	-	-	7,581
Adjustment To Liabilities For Incurred Claims	(970)	-	-	-	(970)
Losses On Onerous Contracts & Reversal Of Those Losses	-	-	-	(5,587)	(5,587)
Acquisition Cash Flows Amortization	-	-	7,631	-	7,631
Insurance Service Result	(970)	6,098	(82,428)	(5,587)	(82,887)
Insurance Finance Expense Total	-	1,931	-	-	1,931
Therefore Recognized In Pnl	-	1,931	-	-	1,931
Therefore Recognized In Oci	-	-	-	-	-
Total Amounts Recognised In Comprehensive Income	-	-	-	-	-
Investment Components	-	-	-	-	-
Other Changes	-	-	-	-	-
Cash Flows	-	(21,881)	95,011	-	73,130
Premiums Received	-	-	102,442	-	102,442
Claims Excl Non Distinct Investment Component Paid	-	(14,300)	-	-	(14,300)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(7,581)	-	-	(7,581)
Insurance Acquisition Cash Flows	-	-	(7,432)	-	(7,432)
Insurance Contract Liabilities Eop	2,525	37,970	43,376	-	83,872
Insurance Contract Assets Eop	-	-	(2,309)	-	(2,309)
Net Balance Eop	**2,525**	**37,970**	**41,067**	**-**	**81,563**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Accident

Liability for insurance contracts -Accident 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Accident product year end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	2,517	37,093	20,964	-	60,574
Insurance Contract Assets Bop	-	-	(849)	-	(849)
Net Balance Bop	2,517	37,093	20,114	-	59,724
Insurance Revenue	-	-	(69,893)	-	(69,893)
Insurance Service Expense	978	36,661	3,660	5,587	46,886
Incurred Claims	-	32,376	-	-	32,376
Directly Attributable Expenses	-	4,286	-	-	4,286
Adjustment To Liabilities For Incurred Claims	978	-	-	-	978
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	5,587	5,587
Acquisition Cash Flows Amortization	-	-	3,660	-	3,660
Insurance Service Result	978	36,661	(66,232)	5,587	(23,006)
Insurance Finance Expense Total	-	(1,317)	-	-	(1,317)
Therefore Recognized In Pnl	-	(1,317)	-	-	(1,317)
Cash Flows	-	(20,615)	74,602	-	53,987
Premiums Received	-	-	79,922	-	79,922
Claims Excl Non Distinct Investment Component Paid	-	(16,329)	-	-	(16,329)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(4,286)	-	-	(4,286)
Insurance Acquisition Cash Flows	-	-	(5,320)	-	(5,320)
Insurance Contract Liabilities Eop	3,495	51,822	30,993	5,587	91,897
Insurance Contract Assets Eop	-	-	(2,509)	-	(2,509)
Directly Attributable Expenses Paid	-	(7,581)	-	-	(7,581)
Insurance Acquisition Cash Flows	-	-	(7,432)	-	(7,432)
Insurance Contract Liabilities Eop	2,525	37,970	43,376	-	83,872
Insurance Contract Assets Eop	-	-	(2,309)	-	(2,309)
Net Balance Eop	**3,495**	**51,822**	**28,484**	**5,587**	**89,388**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Marine

Liability for insurance contracts-Marine 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Marine product year end 2024, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	717	4,355	(193)	-	4,879
Insurance Contract Assets Bop	-	-	(2,204)	-	(2,204)
Net Balance Bop	717	4,355	(2,397)	-	2,675
Insurance Revenue	-	-	(86,833)	-	(86,833)
Insurance Service Expense	(672)	19,293	7,762	-	26,383
Incurred Claims	-	14,010	-	-	14,010
Directly Attributable Expenses	-	5,283	-	-	5,283
Adjustment To Liabilities For Incurred Claims	(672)	-	-	-	(672)
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	-	-
Acquisition Cash Flows Amortization	-	-	7,762	-	7,762
Insurance Service Result	(672)	19,293	(79,071)	-	(60,450)
Insurance Finance Expense Total	-	173	-	-	173
Therefore Recognized In Pnl	-	173	-	-	173
Cash Flows	-	(8,508)	70,871	-	62,363
Premiums Received	-	-	78,109	-	78,109
Claims Excl Non Distinct Investment Component Paid	-	(3,224)	-	-	(3,224)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(5,283)	-	-	(5,283)
Insurance Acquisition Cash Flows	-	-	(7,237)	-	(7,237)
Insurance Contract Liabilities Eop	45	15,314	(8,917)	-	6,442
Insurance Contract Assets Eop	-	-	(1,679)	-	(1,679)
Directly Attributable Expenses Paid	-	(7,581)	-	-	(7,581)
Insurance Acquisition Cash Flows	-	-	(7,432)	-	(7,432)
Insurance Contract Liabilities Eop	2,525	37,970	43,376	-	83,872
Insurance Contract Assets Eop	-	-	(2,309)	-	(2,309)
Net Balance Eop	**45**	**15,314**	**(10,596)**	**-**	**4,763**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Marine

Liability for insurance contracts-Marine 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Marine product year end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	689	10,144	(14,575)	-	(3,742)
Insurance Contract Assets Bop	-	-	(779)	-	(779)
Net Balance Bop	689	10,144	(15,355)	-	(4,522)
Insurance Revenue	-	-	(98,315)	-	(98,315)
Insurance Service Expense	28	1,129	8,984	-	10,141
Incurred Claims	-	(5,021)	-	-	(5,021)
Directly Attributable Expenses	-	6,150	-	-	6,150
Adjustment To Liabilities For Incurred Claims	28	-	-	-	28
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	-	-
Acquisition Cash Flows Amortization	-	-	8,984	-	8,984
Insurance Service Result	28	1,129	(89,331)	-	(88,174)
Insurance Finance Expense Total	-	569	-	-	569
Therefore Recognized In Pnl	-	569	-	-	569
Cash Flows	-	(7,487)	102,289	-	94,802
Premiums Received	-	-	112,698	-	112,698
Claims Excl Non Distinct Investment Component Paid	-	(1,337)	-	-	(1,337)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(6,150)	-	-	(6,150)
Insurance Acquisition Cash Flows	-	-	(10,409)	-	(10,409)
Insurance Contract Liabilities Eop	717	4,355	(193)	-	4,879
Insurance Contract Assets Eop	-	-	(2,204)	-	(2,204)
Directly Attributable Expenses Paid	-	(7,581)	-	-	(7,581)
Insurance Acquisition Cash Flows	-	-	(7,432)	-	(7,432)
Insurance Contract Liabilities Eop	2,525	37,970	43,376	-	83,872
Insurance Contract Assets Eop	-	-	(2,309)	-	(2,309)
Net Balance Eop	**717**	**4,355**	**(2,397)**	**-**	**2,675**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Guarantee

Liability for insurance contracts -Guarantee 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Marine product year end 2024, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	721	18,884	143,550	-	163,155
Insurance Contract Assets Bop	-	-	(2,947)	-	(2,947)
Net Balance Bop	721	18,884	140,603	-	160,208
Insurance Revenue	-	-	(360,240)	-	(360,240)
Insurance Service Expense	(608)	86,924	(5,029)	-	81,287
Incurred Claims	-	62,691	-	-	62,691
Directly Attributable Expenses	-	24,233	-	-	24,233
Adjustment To Liabilities For Incurred Claims	(608)	-	-	-	(608)
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	-	-
Acquisition Cash Flows Amortization	-	-	(5,029)	-	(5,029)
Insurance Service Result	(608)	86,924	(365,269)	-	(278,953)
Insurance Finance Expense Total	-	248	-	-	248
Therefore Recognized In Pnl	-	248	-	-	248
Cash Flows	-	(98,119)	332,898	-	234,779
Premiums Received	-	-	342,755	-	342,755
Claims Excl Non Distinct Investment Component Paid	-	(73,886)	-	-	(73,886)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(24,233)	-	-	(24,233)
Insurance Acquisition Cash Flows	-	-	(9,857)	-	(9,857)
Insurance Contract Liabilities Eop	113	7,936	126,065	-	134,114
Insurance Contract Assets Eop	-	-	(17,834)	-	(17,834)
Directly Attributable Expenses Paid	-	(7,581)	-	-	(7,581)
Insurance Acquisition Cash Flows	-	-	(7,432)	-	(7,432)
Insurance Contract Liabilities Eop	2,525	37,970	43,376	-	83,872
Insurance Contract Assets Eop	-	-	(2,309)	-	(2,309)
Net Balance Eop	**113**	**7,936**	**108,231**	**-**	**116,280**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Guarantee

Liability for insurance contracts -Guarantee 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Marine product year end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	696	10,253	274,107	-	285,056
Insurance Contract Assets Bop	-	-	(5,610)	-	(5,610)
Net Balance Bop	696	10,253	268,497	-	279,446
Insurance Revenue	-	-	(469,442)	-	(469,442)
Insurance Service Expense	25	47,627	9,589	-	57,241
Incurred Claims	-	29,652	-	-	29,652
Directly Attributable Expenses	-	17,975	-	-	17,975
Adjustment To Liabilities For Incurred Claims	25	-	-	-	25
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	-	-
Acquisition Cash Flows Amortization	-	-	9,589	-	9,589
Insurance Service Result	25	47,627	(459,852)	-	(412,200)
Insurance Finance Expense Total	-	579	-	-	579
Therefore Recognized In Pnl	-	579	-	-	579
Cash Flows	-	(39,575)	331,958	-	292,382
Premiums Received	-	-	338,884	-	338,884
Claims Excl Non Distinct Investment Component Paid	-	(21,600)	-	-	(21,600)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(17,975)	-	-	(17,975)
Insurance Acquisition Cash Flows	-	-	(6,927)	-	(6,927)
Insurance Contract Liabilities Eop	721	18,884	143,550	-	163,155
Insurance Contract Assets Eop	-	-	(2,947)	-	(2,947)
Net Balance Eop	**721**	**18,884**	**140,603**	**-**	**160,208**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Miscellaneous

Liability for insurance contracts-Miscellaneous 2024

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Marine product year end 2024, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	21,338	225,397	(503,563)	30,247	(226,581)
Insurance Contract Assets Bop	-	-	(52,832)	-	(52,832)
Net Balance Bop	21,338	225,397	(556,395)	30,247	(279,412)
Insurance Revenue	-	-	(2,358,208)	-	(2,358,208)
Insurance Service Expense	(8,380)	1,428,214	208,981	(30,247)	1,598,568
Incurred Claims	-	1,337,564	-	-	1,337,564
Directly Attributable Expenses	-	90,650	-	-	90,650
Adjustment To Liabilities For Incurred Claims	(8,380)	-	-	-	(8,380)
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	(30,247)	(30,247)
Acquisition Cash Flows Amortization	-	-	208,981	-	208,981
Insurance Service Result	(8,380)	1,428,214	(2,149,226)	(30,247)	(759,639)
Insurance Finance Expense Total	-	(5,226)	-	-	(5,226)
Therefore Recognized In Pnl	-	(5,226)	-	-	(5,226)
Therefore Recognized In Oci	-	-	-	-	-
Total Amounts Recognised In Comprehensive Income	-	-	-	-	-
Investment Components	-	-	-	-	-
Other Changes	-	-	-	-	-
Cash Flows	-	(1,165,025)	2,661,403	-	1,496,378
Premiums Received	-	-	2,917,074	-	2,917,074
Claims Excl Non Distinct Investment Component Paid	-	(1,074,374)	-	-	(1,074,374)
Non Distinct Investment Component Paid	-	-	-	-	-
Directly Attributable Expenses Paid	-	(90,650)	-	-	(90,650)
Insurance Acquisition Cash Flows	-	-	(255,671)	-	(255,671)
Insurance Contract Liabilities Eop	12,958	483,361	55,303	-	551,622
Insurance Contract Assets Eop	-	-	(99,522)	-	(99,522)
Net Balance Eop	**12,958**	**483,361**	**(44,219)**	**-**	**452,100**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Miscellaneous

Liability for insurance contracts-Miscellaneous 2023

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Marine product year end 2023, is disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Insurance Contract Liabilities Bop	9,033	133,098	310,416	2,064	454,611
Insurance Contract Assets Bop	-	-	(38,543)	-	(38,543)
Net Balance Bop	9,033	133,098	271,873	2,064	416,068
Insurance Revenue	-	-	(1,845,008)	-	(1,845,008)
Insurance Service Expense	12,305	850,507	142,494	28,183	1,033,4989
Incurred Claims	-	743,508	-	-	743,508
Directly Attributable Expenses	-	106,999	-	-	106,999
Adjustment To Liabilities For Incurred Claims	12,305	-	-	-	12,305
Losses On Onerous Contracts And Reversal Of Those Losses	-	-	-	28,183	28,183
Acquisition Cash Flows Amortization	-	-	142,494	-	142,494
Insurance Service Result	12,305	850,507	(1,702,514)	28,183	(811,519)
Insurance Finance Expense Total	-	(4,678)	-	-	(4,678)
Therefore Recognized In Pnl	-	(4,678)	-	-	(4,678)
Cash Flows	-	(753,529)	874,247	-	120,718
Premiums Received	-	-	1,031,030	-	1,031,030
Claims Excl Non Distinct Investment Component Paid	-	(646,530)	-	-	(646,530)
Directly Attributable Expenses Paid	-	(106,999)	-	-	(106,999)
Insurance Acquisition Cash Flows	-	-	(156,783)	-	(156,783)
Insurance Contract Liabilities Eop	21,338	225,397	(503,563)	30,247	(226,581)
Insurance Contract Assets Eop	-	-	(52,832)	-	(52,832)
Net Balance Eop	**21,338**	**225,397**	**(556,395)**	**30,247**	**(279,413)**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Roll forward for reinsurance contract 2024

The roll-forward of the net asset or liability for re insurance contracts held, showing the asset for remaining coverage and the asset for incurred claims for the company portfolios, are disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Reinsurance Contract Assets Bop	61,118	899,226	2,070,526	82,342	3,113,212
Reinsurance Contract Liabilities Bop	-	-	(597,699)	-	(597,699)
Net Balance Bop	61,118	899,226	1,472,827	82,342	2,515,513
Allocation Of Reinsurance Premiums Paid	-	-	(4,586,566)	-	(4,586,566)
Amounts Recoverable From Reinsurers	(4,807)	1,871,258	1,383,795	(82,342)	3,167,903
Incurred Claims Recovered And Other Reinsurance Service Expenses	-	1,871,258	-	-	1,871,258
Adjustments To Assets For Incurred Claims	(4,807)	-	-	-	(4,807)
Recovery Of Losses And Reversal On Recovery Of Losses	-	-	-	(82,342)	(82,342)
Amortization Of Reinsurance Acquisition Cash Flows	-	-	1,383,795	-	1,383,795
Reinsurance Service Result	(4,807)	1,871,258	(3,202,771)	(82,342)	(1,418,663)
Reinsurance Finance Expense Total	-	(16,478)	-	-	(16,478)
Therefore Recognized In Pnl	-	(16,478)	-	-	(16,478)
Cash Flows	-	(1,707,759)	3,484,796	-	1,777,037
Premiums Paid	-	-	4,719,357	-	4,719,357
Claims Excl Non Distinct Investment Component Paid	-	(1,707,759)	-	-	(1,707,759)
Reinsurance Acquisition Cash Flows	-	-	(1,234,561)	-	(1,234,561)
Reinsurance Contract Assets Eop	56,310	1,046,248	2,203,317	-	3,305,875
Reinsurance Contract Liabilities Eop	-	-	(448,465)	-	(448,465)
Net Balance Eop	**56,310**	**1,046,248**	**1,754,852**	**-**	**2,857,410**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Insurance Risk Management (continued)
Roll forward of liability of insurance contract (Continued)

Roll forward for reinsurance contract 2023

The roll-forward of the net asset or liability for re insurance contracts held, showing the asset for remaining coverage and the asset for incurred claims for the company portfolios, are disclosed in the table below:

Name	Lfic Ra	Lfic Be	Lfrc Excl Loss Component	Loss Component	Total
Reinsurance Contract Assets Bop	63,024	928,443	1,441,244	-	2,432,711
Reinsurance Contract Liabilities Bop	-	-	(304,387)	-	(304,387)
Net Balance Bop	63,024	928,443	1,136,857	-	2,128,324
Allocation Of Reinsurance Premiums Paid	-	-	(3,442,167)	-	(3,442,167)
Amounts Recoverable From Reinsurers	(1,906)	1,530,136	960,299	82,342	2,570,871
Incurred Claims Recovered And Other Reinsurance Service Expenses	-	1,530,136	-	-	1,530,136
Adjustments To Assets For Incurred Claims	(1,906)	-	-	-	(1,906)
Recovery Of Losses And Reversal On Recovery Of Losses	-	-	-	82,342	82,342
Amortization Of Reinsurance Acquisition Cash Flows	-	-	960,299	-	960,299
Reinsurance Service Result	(1,906)	1,530,136	(2,481,868)	82,342	(871,294)
Reinsurance Finance Expense Total	-	20,027	-	-	20,027
Therefore Recognized In Pnl	-	20,027	-	-	20,027
Cash Flows	-	(1,579,380)	2,817,838	-	1,238,457
Premiums Paid	-	-	4,071,449	-	4,071,449
Claims Excl Non Distinct Investment Component Paid	-	(1,579,380)	-	-	(1,579,380)
Reinsurance Acquisition Cash Flows	-	-	(1,253,611)	-	(1,253,611)
Reinsurance Contract Assets Eop	61,118	899,226	2,070,526	82,342	3,113,212
Reinsurance Contract Liabilities Eop	-	-	(597,699)	-	(597,699)
Net Balance Eop	**61,118**	**899,226**	**1,472,827**	**82,343**	**2,515,513**

Notes to the Financial Statements
For The Year Ended 31 December 2024

7.Interest Income

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Interest on overdrawn accounts	25,173,891	13,408,670
Interest on Treasury loans	20,562,993	9,857,428
Interest on equipment loans	121,026,427	121,681,176
Interest on consumer loans	23,947,766	17,313,611
Interest on mortgage loans	18,796,190	16,479,903
Other interest on loans to clients	-	7,904,700
Interest on deposits with banks	948,420	4,644,912
Interest received from interbank placements	16,341,484	5,916,046
Interest on investments in government securities	24,321,719	19,658,578
	251,118,890	**216,865,024**

8. Interest Expense

Interest on Customer Term deposit	30,294,535	19,834,795
Interest on Current Accounts	-	14,344,780
Interest on Saving Accounts	15,282,802	3,707,760
Interest on Long term Credit Lines	8,546,556	9,863,141
Interest on Transactions with other banks	6,334,643	3,702,179
Total gross loans	**60,458,536**	**51,452,655**

9. Net Fees And Commission Income

9(i) Fees and commission income		
Commissions on operations of accounts	152,803	3,067,017
Commissions on payment facilities	11,113,731	7,954,353
Commissions on loan services	18,055,856	11,100,704
Commissions received from financing commitments	10,639,589	3,526,817
Commissions received from guarantees commitments	6,758,180	5,728,500
Income from transactions with other banks	153,631	188,570
Other fees from services	-	11,947,767
	46,873,790	**43,513,728**

*The amount not related to fees and commission for prior year amounting to Frw 1,425,365 was reclassified to other income.

9(ii) Fees and commission expense		
Commissions on payment facilities	(5,881,566)	(2,931,042)
commissions on other transactions with banks	(962,439)	(795,729)
	(6,844,005)	**(3,726,771)**
Net fees and commission	**40,029,785**	**39,786,957**

Notes to the Financial Statements
For The Year Ended 31 December 2024

9. Net Fees And Commission Income

The fee and commission income of the group is earned at a point in time and over time in compliance with IFRS 15. The breakdown is analysed below.

31 December 2024	Corporate Banking Frw'000	Retail Banking Frw'000	Central Treasury Frw'000	Total Frw'000
Fees and commission earned from the services that are provided over time:				
Commissions on payment facility	9,922,866	1,190,865	-	11,113,731
Commission on loans services	14,897,503	3,158,353	-	18,055,856
Total	**24,820,369**	**4,349,217**	**-**	**29,169,586**

31 December 2024	Corporate Banking Frw'000	Retail Banking Frw'000	Central Treasury Frw'000	Total Frw'000
Fees and commission earned from the services that are provided at point in time:				
Commissions on operations of accounts	152,803	-		152,803
Commissions received from financing commitments	10,638,503	1,086		10,639,589
Commissions received from guarantees commitments	5,894,633	863,548		6,758,181
Income from transactions with other banks	281,522	16,304		297,826
Other fees from services				
Total	**16,967,459.98**	**880,939**		**17,848,399**
	41,787,828.75	**5,230,156**		**47,017,985**

31 December 2023	Corporate Banking Frw'000	Retail Banking Frw'000	Central Treasury Frw'000	Total Frw'000
Fees and commission earned from the services that are provided over time:				
Commissions on payment facility	7,600,805	1,109,581	-	8,710,386
Commission on loans services	10,887,018	1,764,855	-	12,651,873
Total	**18,487,823**	**2,874,436**	**-**	**21,362,259**

31 December 2023	Corporate Banking Frw'000	Retail Banking Frw'000	Central Treasury Frw'000	Total Frw'000
Fees and commission earned from the services that are provided at point in time:				
Commissions on operations of accounts	2,064,743	427,829	-	2,492,572
Commissions received from financing commitments	12,663,491	494,413	-	13,157,904
Commissions received from guarantees commitments	4,911,884	799,089	-	5,710,973
Income from transactions with other banks	162,266	26,304	-	188,570
Other fees from services	375,756	-	-	375,756
Total	**20,178,140**	**1,747,635**	**-**	**21,925,775**
	38,665,963	**4,622,071**	**-**	**43,288,034**

Notes to the Financial Statements
For The Year Ended 31 December 2024

10. Foreign exchange related income

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Net forex trading	16,334,706	16,504,489
Forex commissions	3,929,698	3,557,696
Foreign exchange gain-Other	546,301	
Interest on consumer loans	**20,810,705**	**20,062,185**

11. Insurance Revenue

Insurance revenue	15,561,363	14,328,285
Increase/Decrease in unearned premium	(697,943)	(1,897,651)
	14,863,420	**12,430,634**

12 (i) Insurance Service Expenses

Incurred Claims	5,862,276	5,227,684
Directly Attributable Expenses	1,015,663	773,971
Acquisition Cash Flows Amortization	939,624	751,976
Adjustment To Liabilities For Incurred Claims	(142,563)	63,367
Losses On Onerous Contracts And Reversal Of Those Losses	(185,020)	185,020
	7,489,980	**7,002,018**

12 (ii) Non attributeable expenses

Audit Fees	28,050	32,490
Bank charges and Exchange Loss	39,504	21,284
Board of Directors sitting allowances	54,442	44,514
Cleaning and Maintenance Cost	40,092	31,007
Communications Cost	61,219	49,947
Consultancy and Professional fees	107,037	137,313
Depreciations	438,319	574,064
Finance costs on lease	87,081	103,265
Fines and Penalties	5,118	4
Insurance expenses	28,420	60,597
IT and related cost	6,524	4,101
Local Taxes	1,000	276
Marketing expenses	199,155	131,254
Office supplies	39,841	43,769
Other Expenses	74,151	36,239
Refreshment and receptions	32,792	24,075
Sport and entertainment cost	20,504	3,450
Staff Cost	1,408,285	1,056,238
Supervision Fees	73,339	55,286
Travel and accomadation cost	46,718	14,966
Vehicle running Cost	28,321	23,700
Water and Electricity	11,599	3,742
	2,831,511	**2,451,581**

Notes to the Financial Statements
For The Year Ended 31 December 2024

12 (iii). Net insurance finance expenses:

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Finance expenses from insurance contract issued	67,169	7,274
Finance income from reinsurance contract held	-16478	20,028
Net insurance finance expenses	**50,691**	**27,301**

12 (iv). Net expenses from reinsurance contracts held

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Allocation Of Reinsurance Premiums Paid	4,586,566	3,442,167
Amortization Of Reinsurance Acquisition Cash Flows	(1,383,795)	(960,299)
Incurred Claims Recovered And Other Reinsurance Service Expenses	(1,871,258)	(1,530,136)
Adjustments To Assets For Incurred Claims	4,807	1,907
Losses On Onerous Contracts And Reversal Of Those Losses	82,343	(82,343)
	1,418,663	**871,296**

13. Other Operating Income

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Bank of Kigali Plc		
Sublease rental income	(16,668)	4,818
Gain on asset disposal	43,193	8,386
Other non-banking income	211,188	472,636
	237,713	**485,840**
BK Holding Company		
Dividend income	42,029	70,343
Other income	-	768
Gain on asset disposal	919,509	114,493
	961,538	**185,604**
BK General Insurance Ltd		
Policy Fees	92,771	83,686
Other income	46,281	70,184
	139,052	**153,870**
BK TecHouse Ltd		
Broadband Connectivity	114,056	44,794
SaaS- Software as a Service	101,083	108,105
DaaS- Data as a Service	144,975	41,667
PaaS- Payment as a Service	216,978	195,464
Software Development	306,937	199,676
IoT- Internet of Things	80,139	55,764
Other Income	133,499	201,851
	1,097,667	**847,321**

Notes to the Financial Statements
For The Year Ended 31 December 2024

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
BK Capital		
Brokerage commission	294,828	4,818
Advisory Services Income	582,450	8,386
Fund management and Registrar fees	672,893	472,636
Other Income	**12,483**	**485,840**
	1,562,654	**1,506,142**
Other operating income	**3,998,624**	**3,178,777**
14. Credit Impairment Losses		
Expected credit loss on loans and advances	39,197,112	16,448,456
Expected credit loss on off balance sheet items	476,330	4,685,259
Expected credit loss on cash balances with other banks	(325,178)	936,946
Expected credit loss on investment securities	125,229	82,961
Bad debts recovered during the year*	(5,447,634)	(3,547,033)
Net Credit impairment losses for-loans	34,025,859	18,606,589
Credit impairment losses for-Other assets	10,395	27,331
	34,036,254	**18,633,920**

* The increase in loss allowance during the year is mainly linked to the growth of the loan book which grew by 10% and the full provision taken on one major client in the energy sector who had been assessed to have 100% default risk.
** The increase in credit loss on off balance sheet items was attributed to the increament of off balance sheet poltfolio by 68%.
***Bad debts recovered during the year relates to the recoveries from the credit impaired financial assets in the year.

15. Operating Expenses

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
i) Employee benefits expense		
Salaries and wages	39,821,440	36,695,318
Medical expenses	1,707,674	1,377,694
Pension scheme contributions	2,364,305	2,201,982
Other benefits	2,774,296	2,551,481
	46,667,715	**42,826,475**

Notes to the Financial Statements
For The Year Ended 31 December 2024

15. Operating Expenses

ii) Depreciation and amortisation		
Depreciation of property equipment	6,982,341	6,328,295
Depreciation on right to use assets	430,878	796,326
Amortisation of intangible assets	3,519,449	3,121,337
	10,908,667	**10,245,958**
iii) Administration and general expenses		
Directors' remuneration	1,705,087	966,778
Audit fees	85,340	97,700
Rent, repairs and maintenance	2,919,676	2,162,259
Utilities	980,084	723,739
Postage, photocopying and printing	465,593	601,795
Travel and accommodation expenses	834,278	2,407,991
Security and cash in transit costs	1,944,288	2,250,148
Marketing and publicity	2,905,757	3,271,157
Statutory fees	2,116,094	1,832,123
Legal and consultancy fees	3,838,913	3,662,032
Unclaimed Input taxes	2,880,317	3,021,252
IT related, Telephone & Internet costs	7,623,118	7,440,765
Charitable donation	1,072,088	1,129,882
Account maintenance costs	3,436	24,342
Allowance for unreconciled settlements	-	45,165
Provision for doubtfull receivables	3,015,339	
Credit and debit card costs	-	4,189,270
Fees on import and export	878,819	3,125,071
Unrealised foreign exchange loss	-	6,183,984
Other general expenses**	1,861,094	5,913,703
Card production & Maintenance	5,741,374	-
	40,870,695	**49,049,156**
iv) Interest on lease liabilities(note 33) **	**86,396**	**105,900**

*Other general expenses relate to filing and storage expenses, sports and entertainment, SMS banking charges, district taxes and other miscellaneous costs.

**The Group has presented interest expense on the lease liability separately from the depreciation charge for the right of-use asset. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of Comprehensive Income.

Notes to the Financial Statements
For The Year Ended 31 December 2024

16. Income Tax Expense

The income tax charge on the Group's profit differs from the theoretical amount that would arise using the basic tax rates as follows:

(i)Income tax charge

	Effective Rate	31 Dec 2024 Frw'000	Effective Rate	31 Dec 2023 Frw'000
Current income tax		37,132,127		28,977,263
Deferred income tax		(3,122,717)		5,916,978
Prior year voluntary disclosure		1,063,258		-
		35,072,668		**34,894,241**
Accounting profit before income tax		126,103,699		109,711,920
Current income tax calculated		44,477,461		41,176,698
Tax effect of:				
Intra group dividend		(9,016,136)		(9,008,393)
Other non-deductible expenses		2,960,385		3,126,175
Adjustment in respect to prior year deferred tax		1,023,903		63,520
Impact in change in rate		-		463,759
Adjusted rate on Intangible assets		(4,372,944)		-
	28%	**35,072,668**	**32%**	**34,894,241**

* This relates to an understatement for the 2021 and 2022 tax periods, which was rectified in 2024 following an internal tax health check review. The Rwanda Revenue Authority granted taxpayers the opportunity to conduct internal reviews and benefit from voluntary disclosure to avoid penalties.

(ii) Current Income Tax Payable

	31 Dec 24 Frw'000	ECL Frw'000
At 1 January	1,079,716	5,920,034
Tax paid during the year	(29,668,722)	(33,522,643)
Tax charge for the year	37,132,127	28,999,191
Prior year voluntary disclosure	1,063,258	-
Withouholding tax paid	(259,164)	(240,581)
Tax credit during the year	(384,538)	-
Prior year understatement	26,355	(76,285)
At 31 December	**8,989,032**	**1,079,716**

The Group's average tax charge was 27.4%(2023: 31.8%)

17. Earnings Per Share

	31 Dec 24 Frw'000	ECL Frw'000
Profit for the year attributable to equity shareholders	91,031,030	74,871,405
Weighted average number of shares	930,531	928,162
Earnings per share:		
Basic and diluted earnings per share	**97.8**	**80.6**

Basic earnings per share is calculated on the profit attributable to ordinary shareholders of FRw 91 billion (2023: FRw 74.8 billion) and on the weighted average number of ordinary shares outstanding during the year of 930,531,108 (2023: 928,162,480 shares).

Notes to the Financial Statements
For The Year Ended 31 December 2024

18. Analysis Of Cash And Cash Equivalents

Cash and cash equivalents included in the statement of cash flow comprise the following statement of financial position accounts:

a. Cash in hand

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Cash in foreign currency	8,858,017	19,197,693
Cash in local currency	12,805,016	11,417,760
	21,663,033	**30,615,453**

b. Balances with National Bank of Rwanda

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Restricted balances (Cash Reserve Ratio)	93,257,012	78,476,374
Unrestricted balances	164,232,407	227,179,642
	257,489,419	**305,656,016**

The Cash Reserve Ratio is non-interest earning and is based on the value of deposits as adjusted per the National Bank of Rwanda requirements. At 31 December 2024, the Cash Reserve Ratio requirement was 5% (2023: 5%) of all deposits amounting to FRw 1,879 trillion (2023: FRw 1,582 Trillion). Mandatory cash reserve ratio is not available for use in Bank of BK Group Plc's day-to-day operations.

The unrestricted balances include Cash balances on Nostro accounts in BNR FRw. 163 billion available for use in BK Group Plc's day-to-day operations (2023: FRw. 227.18 billion).

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position accounts

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position accounts

c. Cash and Cash Equivalent

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Cash in hand	21,663,033	30,615,453
Unrestricted balances (Note 18.(b))	164,232,407	227,179,642
Cash balances with banks	399,117,340	251,404,182
Due to banks	(121,794,362)	(156,816,856)
	463,218,418	**352,382,422**

19. Cash Balances With Other Banks

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Placements with local banks	11,776,715	28,545,602
Placements with foreign banks	388,122,069	223,965,202
Expected credit losses (note 4.1.7.1)	(781,444)	(1,106,622)
	399,117,340	**251,404,182**

The credit ratings of the financial institutions where the Group's placements are held are shown below, where individual bank ratings were not available, the parent bank's rating or country ratings have been adopted, in order of preference:

Notes to the Financial Statements
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The credit ratings of the financial institutions where Bank of Kigali Plc's placements are held are shown below.
Where individual bank ratings were not available, the parent bank's rating or country ratings have been adopted, in order of preference.

Credit Ratings

	31 Dec 24 Frw'000	ECL Frw'000	31 Dec 24 Frw'000	ECL Frw'000
A	197,537,486	(68,664)	190,732,026	(97,236)
A-	-	-		-
A+	121,134,985	(22,589)	56,993,465	(31,989)
AA	78,776,422	(535,474)	1,617,122	(758,298)
B	-	-	-	-
B+	724,047	(151,828)	1,951,683	(215,007)
BB-	944,400	(2,889)	109,886	(4,092)
Net tax charge	**399,117,340**	**(781,444)**	**251,404,182**	**(1,106,622)**

The weighted average effective interest rate on placements and balances with other banks at 31 December 2024 was 4.7 % (2023: 4.1 %).

20. Investment Securities

a) Investment securities

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
a) Investment securities	**Amortised cost**	**Amortised cost**
Treasury bills	178,378,212	86,311,667
Treasury bonds	93,532,781	43,766,707
Other government security	-	57,504,778
Expected credit losses	(1,156,450)	(1,041,386)
Total	**270,754,543**	**186,541,766**
Maturing between 1-12 months	232,320,073	170,503,958
Maturing between 1-5 years	7,598,079	30,943,216
Maturing between >5 years	31,992,841	(13,864,022)
Expected credit loss	(1,156,450)	(1,041,386)
	270,754,543	**186,541,766**

The change in carrying amount of the government and other securities held to maturity is as shown below:

	Frw'000	Frw'000
At start of year	186,541,766	215,592,151
Additions	165,880,755	401,435,597
Maturities	(80,511,528)	(429,444,596)
Expected Credit loss	(1,156,450)	(1,041,386)
At end of year	**270,754,435**	**186,541,766**

Notes to the Financial Statements
For The Year Ended 31 December 2024

20. Investment Securities (Continued)

(a) Investment securities (continued)

31 December 2024	Treasury bills Frw'000	Treasury bonds Frw'000	Other government securities* Frw'000	Total Frw'000
1-Jan-24	102,698,937	30,952,920	52,889,909	186,541,766
Additions	415,326,442	8,246,830	2,725,042	426,298,314
Maturities	(335,472,141)	(2,715,700)	(3,782,631)	(341,970,472)
Expected credit loss	(287,426)	(5,068)	177,429	(115,065)
31 December 2024	**182,265,812**	**36,478,982**	**52,009,749**	**270,754,543**

31 December 2023	Treasury bills Frw'000	Treasury bonds Frw'000	Other government securities* Frw'000	Total Frw'000
1-Jan-23	150,583,645	28,906,574	36,101,932	215,592,151
Additions	376,470,182	4,770,384	20,195,031	401,435,597
Maturities	(424,013,196)	(2,715,700)	(2,715,699)	(429,444,595)
Expected credit loss	(341,694)	(8,338)	(691,354)	(1,041,386)
31 December 2023	**102,698,937**	**30,952,920**	**52,889,909**	**186,541,766**

(b) Investment in corporate bond

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
At start of year	18,531,462	12,069,536
Additions	6,175,300	6,616,367
Accrued interest	1,403,004	1,216,750
Repayments recieved	(1,204,648)	(1,245,220)
Expected credit losses	(1,021,912)	(125,970)
At end of year	**23,883,206**	**18,531,463**

Treasury bills and bonds are debt securities issued by the Government of the Republic of Rwanda. The bills are categorised as amounts carried at amortised cost. Other government security is a five-year investment bond, with coupon rate of 12.4% per annum payable quarterly on outstanding amount with a maturity date of 31 December 2024.
The weighted average effective interest rate on government securities held to maturity at 31 December 2024 was 10.3 % (2023: 10.4 %)

(c) Investment in specialized fund

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
At start of year	13,255,670	12,605,141
Additions	1,688,589	1,000,000
Accrued interest	50,258	104,026
Interest recieved	(2,104,026)	(453,497)
At end of year	**12,890,491**	**13,255,670**

Notes to the Financial Statements
For The Year Ended 31 December 2024

21. Loans And Advances To Customers

(a) Corporate loans and advances

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Corporate	980,284,773	861,819,290
Small and medium enterprises	207,402,671	206,305,984
Agri-business	62,687,785	27,999,595
Total corporate loans	**1,250,375,228**	**1,096,124,869**
Discount on economic recovery financing*	(4,317,103)	(5,031,355)
Adjusted Corporate Loans	**1,246,058,126**	**1,091,093,514**
Retail loans and advances		
Gross retail loans	283,131,951	250,153,920
Discount on staff loans	(6,673,170)	(4,790,613)
Total retail loan book	**276,458,781**	**245,363,307**
Total gross loans	**1,522,516,907**	**1,336,456,821**
Loss allowance/credit impairment provision - corporate	(41,499,780)	(75,573,108)
Loss allowance/credit impairment provision - retail	(27,033,485)	(16,040,449)
Total expected credit losses/credit impairment provision	(68,533,266)	(91,613,557)
Net Loans and advances to customers	**1,453,983,641**	**1,244,843,264**

(b) Guarantees and commitments

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Corporate	625,591,082	556,733,850
Small and medium enterprises	42,974,879	26,381,515
Retail Banking	32,490	-
Total guarantees and commitments	**668,598,451**	**583,115,365**
Loss allowance	(5,994,202)	**(5,517,872)**
	662,604,249	**577,597,493**
(c) At 1 January	91,613,557	79,624,764
Increase in loss allowance in the year	38,185,365	16,448,456
Provisions for credit operational losses	922,491	
Loans written off during the year	**(62,188,148)**	**(4,459,663)**
As at 31 December	**68,533,265**	**91,613,557**
Movement in the loss allowance - commitments		
At 1 January	5,517,872	832,613
Increase in loss allowance in the year	476,330	4,685,259
As at 31 December	**5,994,202**	**5,517,872**

21. Loans And Advances To Customers

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Maturing within 1 month	75,586,300	131,325,309
Maturing after 1 month, but before 3 months	76,764,200	14,929,863
Maturing after 3 months, but within 1 year	158,095,682	33,516,725
Maturing after 1 year, but within 5 years	**656,930,753**	**287,350,524**
Maturing after 5 years	486,606,706	777,720,843
Adjusted Corporate Loans	**1,453,983,641**	**1,244,843,264**

d. Sectoral analysis of Gross Loans and advances to customers

Private sector and individuals	954,157,775	709,264,511
Government and parastatals	499,825,866	535,578,753
	1,453,983,641	**1,244,843,264**

The weighted average effective interest rate on gross loans and advances as at 31 December 2024 was 14.6% (2023: 14.6%). As at 31 December 2024, the ageing analysis of past due but not impaired loans and advances is as follows:

Less than 60 days	14,282,065	-
Between 61 – 90 days	9,802,040	69,537,793
	24,084,105	**69,537,793**

Discount on economic recovery financing relates to the discount given to customers in economic sectors mostly affected by the pandemic COVID 19. These sectors are Hospitality, transport and SMEs. This represents the difference between the market rate and the contractual rate of the facility. The movement in the Discount on economic recovery loans is detailed below;

ERF loan valuation at start of year	5,031,355	6,149,016
Decrease in the ERF valuation on repayments	(714,252)	(1,117,661)
	4,317,103	**5,031,355**

22.Reinsurance Contract asset**

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Ri Afrc Excl Loss Component	2,203,317	2,152,868
Ri Afic Be	1,046,248	899,226
Ri Afic Ra	56,310	61,118
Unearned Commission	(448,465)	(597,699)
	2,857,410	**2,515,513**

** For details disclosure refer to note-Roll forward for reinsurance

23.Insurance Contract asset

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Insurance Contract Assets Eop	467,903	398,548

Notes to the Financial Statements
For The Year Ended 31 December 2024

24. Other Assets

The following table shows deferred tax recognized in the statement of financial position and changes recorded in the income tax expense:

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Due from related parties	1,015,395	905,375
Prepayments	9,604,570	6,657,934
Economic recovery loan valuation	4,317,103	5,031,355
Other receivables	6,853,069	3,102,177
Expected credit loss-other assets	(317,386)	(3,739,351)
	21,472,751	**11,957,490**

Clearing accounts are temporary and transitory accounts pending compensation house clearing including cheques in transit to other banks. Other receivables are current and non-interest bearing and are generally between 30 to 90 days.

Other receivables relate to input VAT, debtors account in transit, internal account balances, accrued revenue and deposits.

25. Deferred Income Tax

The following table shows deferred tax recognized in the statement of financial position and changes recorded in the income tax The following table shows deferred tax recognized in the statement of financial position and changes recorded in the income tax expense:

Deferred tax (assets)/liabilities	31 Dec 24 Frw'000	31 Dec 23 Frw'000	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Revaluation of assets	5,614,283	-	-	5,614,283
Capital allowances*	2,410,829	(2,708,009)	-	5,118,838
Expected credit losses	(10,239,673)	(1,967,676)	-	(8,271,997)
Other temporary differences*	(5,404,011)	1,664,574	-	(7,068,585)
Staff Bonus	(123,868)	(52,840)	-	(71,028)
Provision for impairments	(114,690)	(58,766)	-	(55923)
	(7,857,130)	**(3,122,717)**	-	**(4,734,412)**

*Capital allowances include deferred tax between net book value as per tax rates versus accounting net book value
*Other temporary difference includes bonus provisions and general provisions for internal transitory accounts

26. Assets Classified As Held For Sale

These accounts relate to non- current assets held for sale in accordance with IFRS 5 that were transferred from Property, plant and equipment, since the Group has the plan to realize the carrying amount principally through a sale transaction instead of continuing use.

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Musanze Old Branch	-	466,145
Nyagatare Residential House	100,000	100,000
	100,000	**566,145**

These assets held for sale relates to the buildings which the group is looking for potential buyers.The expectation is to sell them within 12 months at the prevailing market rate. No impairement loss has been realized from these assets as they have been assessed to be in good condition.

Financial Statements
For The Year Ended 31 December 2024

27 (i). Property And Equipment

	Land and Buildings Frw'000	Computer & IT Equipment Frw'000	Motor vehicles Frw'000	Furniture & Fittings Frw'000	Work in Progress* Frw'000	Total Frw'000
Cost/Valuation						
At 1 January 2024	20,375,503	18,241,306	2,411,786	4,810,684	2,393,202	48,232,481
Additions	182,047	855,669	419,720	327,465	6,026,361	7,811,262
Disposal	(442,274)		(785,956)			(1,228,230)
Write off					(163,428)	(163.428)
Transfer					(947,679)	(947,679)
Revaluation		(183,175)	16,501	116,023		(50,651)
At 31 December 2024	**20,115,276**	**18,913,800**	**2,062,051**	**5,254,172**	**7,308,456**	**53,653,755**
Depreciation						
At 1 January 2024	2,476,817	8,640,872	1,771,966	2,990,140	-	15,879,795
Charge for the year	949,592	4,457,624	328,211	1,325,661		7,061,088
Disposal	(76,418)		(731,089)			(807,507)
Revaluation		(67,360)	(157,154)	10,519		(213,995)
At 31 December 2024	**3,349,991**	**13,031,136**	**1,211,934**	**4,326,320**		**21,919,381**
Carrying Amount	**16,765,285**	**5,822,664**	**850,117**	**927,852**	**7,308,456**	**31,734,374**

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For The Year Ended 31 December 2024

27 (i). Property And Equipment

	Land and Buildings Frw'000	Computer & IT Equipment Frw'000	Motor vehicles Frw'000	Furniture & Fittings Frw'000	Work in Progress* Frw'000	Total Frw'000
Cost/Valuation						
At 1 January 2023	20,375,503	12,031,928	2,281,931	3,614,736	1,548,136	39,852,234
Additions		6,209,378	396,446	1,195,948	845,066	8,646,838
Disposal			(266,591)			(266,591)
At 31 December 2023	**20,375,503**	**18,241,306**	**2,411,786**	**4,810,684**	**2,393,202**	**48,232,481**
Depreciation						
At 1 January 2023	1,899,191	4,616,206	1,739,980	1,539,184	-	9,794,561
Charge for the year	577,626	4,024,666	277,668	1,450,956	-	6,330,916
Disposal	-	-	(245,682)	-	-	(245,682)
At 31 December 2023	**2,476,817**	**8,640,872**	**1,771,966**	**2,990,140**	-	**15,879,795**
Carrying Amount	**17,898,686**	**9,600,434**	**639,820**	**1,820,544**	**2,393,202**	**32,352,686**

Notes to the Financial Statements
For The Year Ended 31 December 2024

27(I) Property And Equipment (Continued)

Land and Buildings were revalued by the directors in 2020 based on the estimated market value. The revaluation was carried out by Architectural & Urban Solutions ARCHUS.

Fair value measurement	Date of valuation	Total Frw'000	Significant unobservable inputs (Level 3) Frw'000
Buildings	2020	20,375,503	20,375,503

Revaluation was based on open market value; in arriving at the valuation figures the following principles have been assumed and applied.

- A willing buyer and willing seller both of whom are fully informed about the property and not acting out of compulsion,
- That to the date of valuation, a reasonable period of time would be allowed to properly market the property taking into account the nature of the property, the state of the market and allowing sufficient time for the agreement price, terms and completion of the sale.
- That the state of the market, levels of values and other circumstances were on any earlier assumed date of exchange of contracts, the same as on the date of valuation.
- That no account would be taken of any bid by a purchaser with special interest.

The following tables provide the fair value measurement hierarchy of the revalued land and buildings

Fair value measurements at 31 December 2024 using	Total amount FRw'000	Quoted prices in active market Level 1 FRw'000	Significant observable inputs Level 2 FRw'000	Significant unobservable inputs Level 3 FRw'000
31 December 2024	20,375,503	-	-	20,375,503
31 December 2023	20,375,503	-	-	20,375,503

The fair value of the property has been determined on a market value basis in accordance with the methods and standards of cost estimation and analysis as set by the Institute of Rwanda Property Valuers (IRPV) and the International Valuation Standards Council, the valuations were performed by Uwezeyimana Straton, an accredited independent valuer with a recognized and relevant professional qualification with recent experience in the category of the investment property being valued.

The valuation was based on the mean of the cost-based approach and income approach in which the estimates are as follows:

	Property	
	31 December 2024	31 December 2023
The parity USD/FRw		10%
The estimated occupancy time		Fourteen
Discount rate		10%

The relationship of the unobservable inputs to the fair value is as follows:

If the parity USD/FRw used was higher/lower by 500 basis points, the fair value of land and buildings would be higher/lower by FRw 20,000,000 million.

If the estimated occupancy time was higher/lower by 5 years, the fair value of land and buildings would be higher/lower by FRw 139,000,000 million.

If the estimated discount rate was higher/lower by 500 basis points, the fair value of land and buildings would be lower/higher by FRw 39,000,000 million.

*Work in progress relates to the Primary Data centre and Recovery site costs that have not been capitalised. The project is yet to be commissioned. These are prepayments made to E-fellows for items that have not been received.

If the land and building were carried at cost, the below would be the carrying amount

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For The Year Ended 31 December 2024

27 (ii) Intangible Assets

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
At 1 January	21,384,323	18,474,837
Additions	7,847,089	2,909,486
At period end	**29,231,412**	**21,384,323**
Amortisation		
At 1 January	11,101,566	7,980,229
Amortisation	3,519,449	3,121,337
At period end	14,621,014	11,101,566
Net book value	**14,610,397**	**10,282,757**

27 (iii) Right of use Assets

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
At 1 January	5,745,703	5,285,105
Additions	2,085,419	460,598
At period end	**7,831,122**	**5,745,703**
Amortisation		
At 1 January	4,592,960	3,524,548
Amortisation	543,259	1,068,412
At period end	5,136,219	4,592,960
Net book value	**2,694,903**	**1,152,743**

28. Due To Banks

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Deposits and balances from other Banks	108,204,017	151,057,407
Term treasury borrowings	115,096,609	44,127,199
	223,300,626	**195,184,606**
Maturing as follows:		
Payable within 3 months	174,143,924	163,284,785
Payable after 3 months	49,156,702	31,899,821
Total	**223,300,626**	**195,184,606**

The weighted average effective interest rate on deposits and balances from other banks as at 31 December 2024 was 7.8% (2023: 7.8%)

Notes to the Financial Statements
For The Year Ended 31 December 2024

29. Deposits And Balances From Customers

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Current accounts	1,236,416,798	1,105,135,657
Fixed deposit accounts	337,648,518	206,884,749
Savings accounts	55,129,659	50,272,400
Collateral and other deposits	12,644,646	12,050,075
	1,641,839,621	**1,374,342,881**

30. Dividends Payable

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
At 1 January	23,145,719	30,704,511
Dividends paid during the year	(14,072,123)	(29,751,918)
Interim dividend paid	(9,605,056)	(7,834,852)
Prior year returned dividend to retained earnings*	(13,608,282)	-
Accrued dividend payable	32,535,000	30,027,978
At 31 December	**18,395,258**	**23,145,719**

*Returned dividend relates to dividends retained by BK group holding of Frw 3,898,857,105 and Frw 4,894,474,067 in 2023 and 2024 respectively and the adjustment on approved dividends of Frw 4,814,951,256 as result of the changes on the paid-out ratio of the bank of Kigali.

31(i) Insurance Contract Liabilities

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Liability for Remaining Coverage	(1,265,731)	1,675,586
Liability for Incurred Claims	4,620,877	4,140,538
Lfic Ra	140,967	281,464
Loss Component	-	187,087
	3,496,113	**6,284,675**

Notes to the Financial Statements
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29. Deposits And Balances From Customers

Reinsures payables	31 Dec 24 Frw'000	31 Dec 23 Frw'000
ZEP-RE	969,874	194,133
Africa-RE	446,992	267,428
Kenya-RE	36,575	46,352
GHANA REINSURANCE COMPANY LIMITED	36,658	35,875
WAICA REINSURANCE KENYA LIMITED	46261	75,110
MAPFRE	(7,740)	15,343
CONTINENTAL	4,392	79,489
SOCIÉTÉ COMMERCIALE GABONAISE DE RÉASSURANCE	-2	40,558
GRAND RE	7,875	
SONARWA-COMESA	31,327	
Total Reinsurers	1,572,212	754,288
Coinsurers		
SONARWA-COMESA	1,770	27,328
BRITAM INSURANCE CO (RWANDA) LTD	33,080	24,225
MUA INSURANCE	13,288	35,156
PRIME INSURANCE LTD	19,996	52,728
RADIANT INSURANCE CO LTD	2,655	44,708
OLD MUTUAL Rwanda	6,294	40,135
SANLAM	2,809	15,773
MAYFAIR	4,706	32,148
Total Coinsurer	84,598	272,201
Total coinsurance and Reinsurance Payables	**1,656,810**	**1,026,489**

Notes to the Financial Statements
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32. Other Liabilities

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Clearing accounts	10,142,560	2,696,844
Deferred revenue	10,268,943	8,037,087
Economic recovery grant valuation	3,677,160	4,686,024
Contingent liabilities	6,012,992	5,528,134
Other liabilities	16602932	8,143,270
Accrued expenses	23,780,151	13,828,769
	70,484,738	**42,920,128**

33. Lease Liabilities

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
As at 1 January	1,653,690	1,787,992
Additions of lease rentals	2,327,580	460,598
Modified contract	(300,045)	-
Interest expense	173,477	105,900
Less:		
Payment of interest on lease liabilities	(39,001)	(105,900)
Payment of principal portion of lease liabilities	(880,292)	(594,900)
	2,935,409	**1,653,690**

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For The Year Ended 31 December 2024

34. Long Term Finance

a) Year ended 31 December 2024	01 January 2024 Frw'000	Additional drawdown Frw'000	Interest expense Frw'000	Revaluation loss Frw'000	Principal re-payments Frw'000	Interest repayments Frw'000	31st - Dec-24 Frw'000
Cost/Valuation							
EIB Loan (8.01% - 11.4%)	59,560,585	18,241,306	5,480,063		(10,194,560)	(5,606,139)	49,239,949
AFD Loan (Libor +3.74% pa)	15,591,280	855,669	1,644,308	1,002,302	(4,712,669)	(1,357,703)	12,167,518
BRD-KFW EGF(8% p.a)	28,570,196		1,422,185	-	(492,621)	(959,907)	45,543,831
Total	**103,722,061**	**17,003,979**	**8,546,556**	**1,002,302**	**(15,399,850)**	**(7,923,749)**	**106,951,299**

b) Year ended 31 December 2023	01 January 2024 Frw'000	Additional drawdown Frw'000	Interest expense Frw'000	Revaluation loss Frw'000	Principal re-payments Frw'000	Interest repayments Frw'000	31st - Dec-23 Frw'000
Cost/Valuation							
EIB Loan (8.01% - 11.4%)	65,203,872	-	6,220,368	-	(6,166,560)	(5,697,095)	59,560,585
AFD Loan (Libor +3.74% pa)	16,586,920	-	1,468,562	2,448,315	(3,236,495)	(1,676,021)	15,591,281
BRD-KFW EGF(8% p.a)	20,927,561	7,875,439	2,174,211	-	(1,360,452)	(1,046,563)	28,570,196
Total	**102,718,353**	**7,875,439**	**9,863,141**	**2,448,315**	**(10,763,507)**	**(8,419,679)**	**103,722,062**

i. In 2019 The bank signed two loan agreement with European Investment Bank (EIB) for a credit of EUR 30 million. The EIB facility was fully drawn down on the 2nd of January 2020 and the repayment terms are in Rwandan Francs. During the year, The bank signed a contract with European Investment Bank (EIB) for a credit of EUR 40 million and the repayment terms are in Rwandan Francs. In 2024 no additional drawdown obtained from EIB.

ii. Agence Francaise de Development (AFD) disbursed USD 20 million. As at 31 December 2020, The bank had drawn down USD 15.1m from the AFD line for a 7-year term.

iii. The Bank was compliant on all financial covenants on the long-term finance. During the year, The bank signed a contract with Agence Francaise de Development (AFD) disbursed for a credit of USD 4 million. Remediation work on the USD LIBOR exposures will commence in advance of the discontinuation date of 30 June 2023. As at 31 December 2023, the USD LIBOR exposures which had not been transitioned was valued at US$ 11.9 million dollars. In 2024 no additional drawdown obtained from AFD.

vi. In 2022 BRD-KFW signed two loans of RWF 1 Billion and RWF 5 Billion maturing on 30/09/2027 and 30/06/2023 respectively and a line of Credit of Rwf 2.1 Billion on the 14th June 2021. During the year, The bank signed 4 contracts with BRD for a credit of Frw 70 million, Frw 2 billion, Frw 2 billion and 6.1 billion. In 2023 the Bank has signed two contracts with BRD for economic recovery loan of FRw 6.8 Bln and FRw 1 Billion for Commercialization and De-Risking for Agricultural Transformation Project (CDAT) maturing on 30/03/2038 and 30/09/2027.

In 2024 BRD approved an additional line of credit amount of 5 billion Francs maturing 2027

Notes to the Financial Statements
For The Year Ended 31 December 2024

35. CAPITAL & RESERVES
(i) Share Capital

	31 December 2024		31 December 2023	
	Shares	FRw'000	Shares	FRw'000
Authorised share capital of FRw 10 each	1,050,460,000	1,050,460,000	9,881,937	614,995
Issued and fully paid up				
At 1 January	928,162,208	9,281,625	918,514,708	9,185,147
New issued	2,368,900	23,689	9,647,500	96,478
At 31 December	**930,531,108**	**9,305,314**	**928,162,208**	**9,281,625**

(ii) Share premium

These reserves arose when the shares of the Group were issued at a price higher than the nominal (par) value, these will be applied towards capital in future,

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
At 1 January	82,423,448	79,953,617
New issued at premium @ FRw 285 (2023 was FRw 260)each		-
DRIP Share issued	651,463	2,469,831
At 31 December	**83,074,911**	**82,423,448**

(iii) Revaluation reserve

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Buildings	13,099,993	13,099,993
Assets revaluation adjustments	117,608	-
	13,217,601	**13,099,993**

Revaluation reserves represents the periodic revaluation of freehold land and buildings, the carrying amount of these assets is adjusted to the revaluations, Revaluation surpluses are not distributable. BK General insurance has revalued the assets to update assets register in 2024.

Notes to the Financial Statements
For The Year Ended 31 December 2024

(iv) Retained earnings

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Opening balance	254,971,032	211,133,499
DRIP Shares issued	(1,013)	(3,849)
Returned dividend	12,882,438	-
Profit attributable to parent	89,692,980	73,869,360
Dividends declared	(32,200,486)	(30,027,978)
	325,344,951	**254,971,032**

(v) Statutory reserves

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Statutory credit reserve	2,321,973	2,321,973
	2,321,973	**2,321,973**

The statutory credit risk reserve represents excess of regulatory expected credit losses over IFRS excess of regulatory expected credit losses over IFRS determined credit losses.

Notes to the Financial Statements
For The Year Ended 31 December 2024

36. Maturity Analysis Of Assets And Liabilities

The table below shows an analysis of assets analysed according to when they are expected to be recovered or settled as at reporting date:

At 31 December 2024	Less than 12 months FRw'000	Over 12 months FRw'000	Total Frw'000
ASSETS			
Cash in hand	21,662,531	-	21,662,531
Balances with the National Bank of Rwanda	236,549,461	15,410,812	251,960,273
Balances held with other financial institutions	387,356,743	-	387,356,743
Investment securities	233,715,515	29,839,353	263,554,868
Investment in corporate bond	1,561,773	17,793,903	19,355,676
Investment in specialized fund	1,050,258	-	1,050,258
Loans and advances to customers	310,446,182	1,143,537,459	1,453,983,641
Deferred Tax Asset	-	16,197,385	16,197,385
Other assets	17,434,669	-	17,434,669
Right to use assets	1,050,191	1,052,535	2,102,726
Intangible assets	-	14,162,601	14,162,601
Property and equipment	-	12,067,098	12,067,098
Total assets	**1,210,827,322**	**1,250,061,144**	**2,460,888,466**

At 31 December 2024	Less than 12 months FRw'000	Over 12 months FRw'000	Total Frw'000
Liabilities			
Due to banks	223,300,626	-	223,300,626
Deposits and balances from customers	1,382,235,790	273,501,977	1,655,737,767
Current tax liability	9,088,164	-	9,088,164
Dividends	21,814,902	-	21,814,902
Other liabilities	64,716,688	-	64,716,688
Lease liabilities	2,216,419	-	2,216,419
Long-term finance	19,284,033	87,667,266	106,951,299
Shareholders' funds	-	377,062,601	377,062,601
Total Equity and Liabilities	**1,722,656,622**	**738,231,844**	**2,460,888,466**

Notes to the Financial Statements
For The Year Ended 31 December 2024

37. Fair Value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities carried at amortised cost as at 31 December 2024:

Fair value measurements at 31 December 2024 using	Total amount FRw'000	Quoted prices in active market Level 1 FRw'000	Significant observable inputs Level 2 FRw'000	Significant unobservable inputs Level 3 FRw'000
Assets				
Balances with the National Bank of Rwanda	251,960,273	251,960,273	-	-
Cash balances with other banks	387,356,743	-	387,356,743	-
Investment securities	266,736,421	-	266,736,421	-
Investment in corporate bond	16,174,123		16,174,123	
Investment in specialized fund	1,050,258	1,050,258		
Loans and advances to customers	1,453,983,641	-	1,453,983,641	-
Other assets	17,434,669	-	17,434,669	-
Total assets	**2,394,696,126**	**253,010,531**	**2,141,685,595**	**-**
Liabilities				
Due to banks	223,300,626	-	223,300,626	-
Deposits and balances from customers	1,655,737,767	-	1,655,737,767	-
Other liabilities	64,716,688	-	64,716,688	-
Long-term finance	106,951,299	-	106,951,299	
Total liabilities	**2,050,706,380**	**-**	**2,050,706,380**	

Notes to the Financial Statements
For The Year Ended 31 December 2024

The following table provides the fair value measurement hierarchy of Bank of Kigali Plc's assets and liabilities carried at amortised cost as at 31 December 2023:

Fair value measurements at 31 December 2024 using	Total amount FRw'000	Quoted prices in active market Level 1 FRw'000	Significant observable inputs Level 2 FRw'000	Significant unobservable inputs Level 3 FRw'000
Assets				
Balances with the National Bank of Rwanda	305,656,016	305,656,016	-	-
Cash balances with other banks	245,045,682	-	245,045,682	-
Investment securities	175,768,193	-	175,768,193	-
Investment in corporate bond	16,139,396		16,139,396	
Investment in specialized fund	1,104,027	1,104,027		
Loans and advances to customers	**1,244,843,264**	-	1,244,843,264	-
Other assets	9,197,349	-	9,197,349	-
Total assets	**1,997,753,927**	**306,760,043**	**1,690,993,884**	**-**
Liabilities				
Due to banks	195,184,606	-	195,184,606	-
Deposits and balances from customers	1,387,291,803	-	1,387,291,803	-
Other liabilities	38,351,952	-	38,351,952	-
Long-term finance	103,722,062	-	103,722,062	
Total liabilities	**1,724,550,423**	**-**	**1,724,550,423**	

Notes to the Financial Statements
For The Year Ended 31 December 2024

Valuation Techniques

The financial instruments include Government Securities, Cash balances with other Banks, Loans and Advances and other assets, Due to Banks, Deposits, other liabilities and Long term finance.
These instruments are held at amortised cost. When active market prices are not available, the Group uses discounted cash flow models with observable market inputs of similar instruments to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Group classifies those securities as Level 2. The Group uses discounted cash flow models with observable market inputs of similar instruments and bond prices The Group classifies those securities as Level 2. The Group does not have Level 3 government securities where valuation inputs would be unobservable.

38. CONTINGENT LIABILITIES AND COMMITMENTS

Legal claims
Litigation is a common occurrence in the financial services industry due to the nature of the business undertaken. The Group has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Group makes adjustments to account for any adverse effects which the claims may have on its financial standing.

At period end, BK Group is party to various legal proceedings for a total amount of FRw 18.0 Billion (2023:FRw 32.9 Billion) will not give rise to significant liabilities; however, the amount with probable loss of FRw 160 Million (2023:FRw 321 Million) has been fully provided for in these financial statements.

Commitments
As at 31 December 2024, the Group had contractual commitments of FRw 3.7 Billion (2023: FRw 2.4 Billion) that mainly relates to acquisition of servers, loan origination projects, inhouse car processing projects and other IT carried forward

39. RELATED PARTIES DISCLOSURES

Government of Rwanda being the majority shareholder through Rwanda Social Security Board and Agaciro Development Fund, based on the exemption under accounting standards, limited transactions and balances with government and government related parties have not been disclosed,

i) Remuneration of key management personnel of the Group

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Remuneration of key management personnel of the group	516,456	422,421

Notes to the Financial Statements
For The Year Ended 31 December 2024

ii) Directors Remuneration

	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Jean Philippe Prosper(Chairman)	151,363	52,155
Mr, Marc Holtzman (Chairman)	-	194,153
Mrs. Sonia Masimbi Kubwimana	49,228	34,774
Mr. Darren Smith	45,355	43,988
Roselyne Uwamahoro	45,345	29,881
Francis Gatare Kabera	47,335	31,113
MAJIJA ACHUMILE	46,459	18,438
Ulrich KAYINAMURA	9,786	-
Mutesi Linda Rusagara	11,191	-
	406,062	**404,502**

Non-executive directors do not receive pension entitlements from the Group, in 2024, Directors for the Group served for the BK group Board meetings and committee meetings.

ii)Transaction with key management personnel of BK Group Plc

BK Group Plc enters into transactions, arrangements and agreements involving directors, senior management and their related party concerns in the ordinary course of business at commercial interest and commission rates,
The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year.

39. Related Parties Disclosures

The amounts above relate to key management personnel of the group.

31 December 2024	Maximum balance during FRw'000	Balance as at 31 Dec FRw'000	Income /Expense Frw'000
Residential mortgages	2,155,485	2,089,220	160,040
Credit cards and other loans	3,426,834	3,332,943	120,453
Deposits	1,165,359	890,438	11,470

31 December 2023	Maximum balance during FRw'000	Balance as at 31 Dec FRw'000	Income /Expense Frw'000
Residential mortgages	1,576,609	1,576,609	112,973
Credit cards and other loans	2,761,517	2,691,059	89,665
Deposits	818,478	623,345	5,701

Notes to the Financial Statements
For The Year Ended 31 December 2024

iii)Transaction with other related parties

In addition to transactions with key management, the Group enters into transactions with entities with significant influence over the Group, the following table shows the outstanding deposits and investment in securities balance and the corresponding interest during the period.

Deposits from BK Group Plc and its subsidiaries	Balance as at FRw'000	Interest paid to FRw'000	Balance as at FRw'000	Interest paid to FRw'000
BK Group PLC	5,872,082	505,210	9,881,937	614,995
BK General Insurance Ltd	1,342,697	208,249	2,537,672	173,698
BK TecHouse	512,097		145,032	156,334
BK Capital Ltd	1,406,680	94,503	3,688,616	-
Total Deposits	**9,133,557**	**807,962**	**16,253,257**	**945,027**

The above-mentioned outstanding balances arose from the ordinary course of business. The interests charged to and by related parties are at normal commercial rates. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 31 December 2024, The bank has not made any provision for expected credit losses relating to amounts owed by related parties (2023:Nil).

Investment in securities	31 December 2024		31 December 2023	
	Balance as at FRw '000	Interest from FRw '000	Balance as at FRw '000	Interest from FRw '000
Government T-bills and bonds			216,899,036	22,510,398

Deposits from major shareholders	31 December 2024		31 December 2023	
	Balance as at FRw '000	Interest from FRw '000	Balance as at FRw '000	Interest from FRw '000
Rwanda Social Security Board			76,981,364	3,667,890
Agaciro Development Board			15,270,086	1,204,041
Total Balances			92,251,450	4,871,931

There have been no guarantees provided or received for any related party receivables or payable.

Notes to the Financial Statements
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40. SUBSIDIARIES

Bank of Kigali Plc

The Bank was incorporated at the end of 2017 following reorganisation of the former bank into a holding company, It is a wholly owned subsidiary of the Group, Its principal place of office is in the BK Group PLC head office, It offers corporate and retail banking services.

BK General Insurance Company Limited

The Group opened a wholly owned subsidiary, BK General Insurance Company Limited on the 16 September 2015, Its principal place of office is in the BK Group PLC head office, the company offers Non-Life Insurance Services, The value of the investment at cost less impairment is FRw 5,000,000,000. Swan Group has 30% stake in BK General Insurance Ltd with BK Group owning 70%.

BK Capital Limited

The Group opened a wholly owned subsidiary, BK Securities Ltd on the 10 December 2013, In 2018, this has been incorporated into BK Capital Ltd, its principal place of office is in the BK Group PLC head office, The main activity of the Company is to hold assets for Custody clients, as well offering of brokerage and advisory services, The issued and paid up capital is FRw 1,200,000,000.

BK Tec-House Limited

The Group opened a wholly owned subsidiary, BK Tec-House Ltd on the 10 August 2015, Its principal place of office is in the BK Group PLC head office, the company offers Internet and digital Services to customers.

Non-controlling interests (NCI)

Set out below is summarised financial information for BK General Insurance Company Limited that are material to the group, the amounts disclosed are before inter-company eliminations.

Summarised Statement of financial position	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Total assets	29,529,816	29,705,720
Total liabilities	(8,793,519)	(14,477,701)
Net assets	**18,736,297**	**15,228,019**

Summarised statement of profit or loss and other comprehensive income	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Insurance revenue	15,351,291	12,770,246
Insurance service expenses	(7,489,980)	(7,002,018)
Non attributeable and other expenses	(4,211,001)	3,295,575
Other operating income	2,476,894	2,096,200
Corporation tax	(1,667,848)	(1,407,789)
Profit for the year	4,459,356	3,161,064
Total comprehensive income	**4,459,356**	**3,161,064**

Notes to the Financial Statements
For The Year Ended 31 December 2024

Summarised statement of profit or loss and other comprehensive income	31 Dec 24 Frw'000	31 Dec 23 Frw'000
Cashflows from operating activities	85,023	2,763,222
Cashflows utilised in investing activities	679,423	(2,586,555)
Cashflows from financing activities	(186,000)	(206,530)
Net (decrease)/increase in cash and cash equivalents	**578,446**	**(29,863)**

41. SHARE BASED PAYMENTS

Group Employee and Directors Share Ownership Plan "ESOP" that was subscribed in 2018 has expired in 2023.There is no new subscription in 2024. Only bonus share is applied for eligible employees with one year vesting period.

42. POST PERIOD END EVENTS.

As disclosed in the notes to the financial statements, in January 2025, BK group plc has transferred land and building valued at Frw 16,215,120,745-Refer to the carrying amount of Land and buildings on the note 20(i). There are no events after the reporting date that require disclosure in or adjustments to the financial statements as at the date of this report.