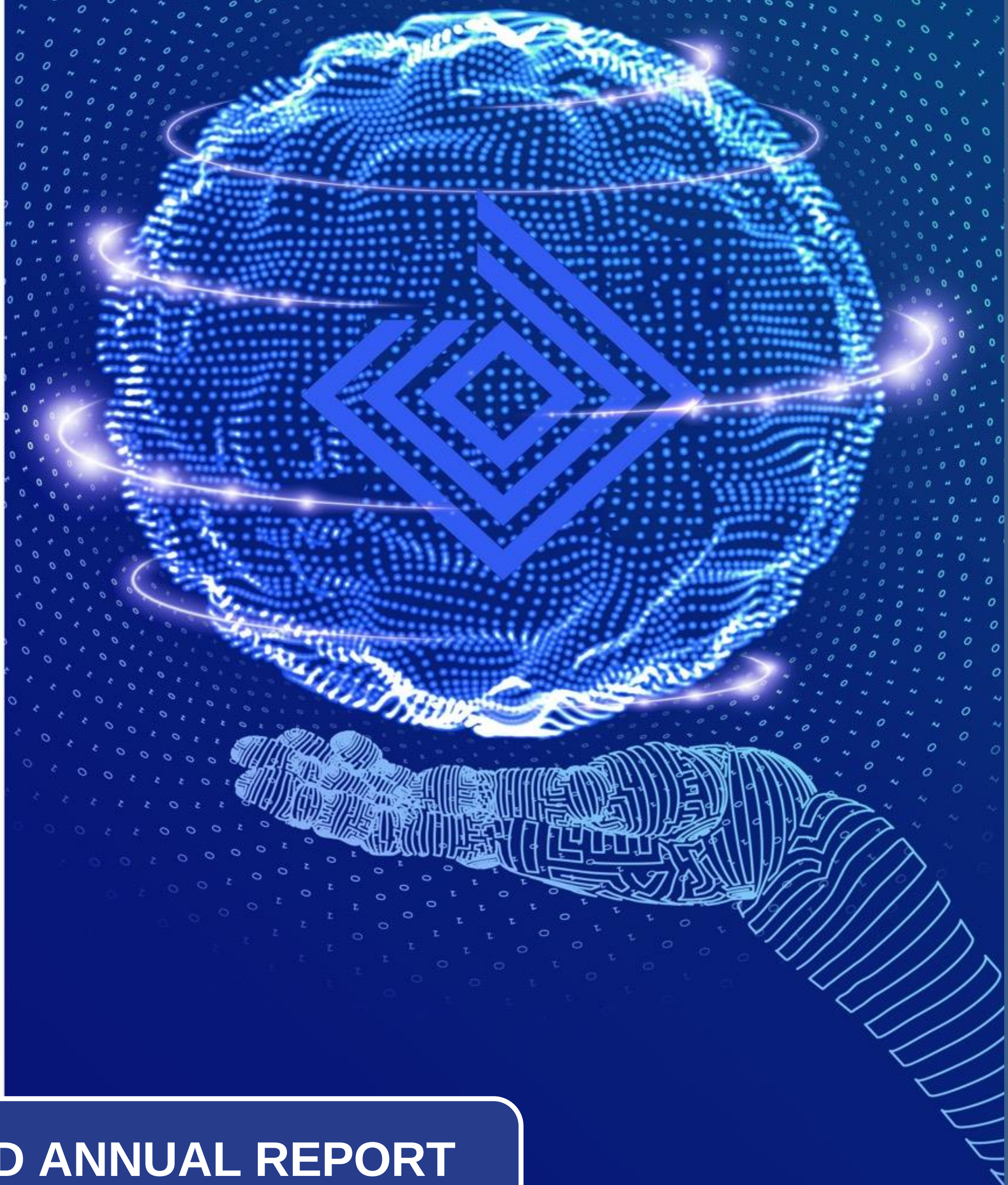
2021



INTEGRATED ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

ACCESS BANK (RWANDA) PLC

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WELCOME

The theme of this year's report: **'Reshaping Financial Landscape through Expansion'** was identified based on the aspirations and projections of the Bank.

To actualise the Access Corporation's vision of becoming the world's most respected African Bank and Africa's payments gateway, Access Bank Rwanda has taken strategic strides to create presence and make the brand known across the country. The bank's aspiration is to become a top three Retail brand in the market across almost all aspects of the business.

Over the last couple of years, Access Bank has been growing, by strategically launching different products and investing in digital Banking platforms to ensure that there are innovative solutions available for the widening opportunities in the markets and communities we serve.

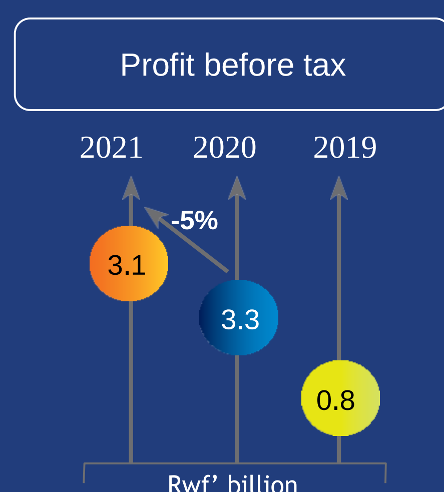
The achievements recorded in the African financial landscape from both Access Bank Rwanda and Access Corporation at large has been supported by the increased financial integration, increased mergers and acquisitions within and across borders, and lower trade barriers between markets. Likewise, advances in communications technology have accelerated international economic integration. Access Bank Rwanda as part of an Access Bank Plc, an established leader in the Nigerian and indeed African banking space, has embraced digital technology to propel both its sustainability targets and its African gateway strategic drive Across Africa.

There are opportunities for the bank to expand to high-potential markets, leveraging on benefits of the African Continental Free Trade Area Agreement (AfCFTA). It is believed that AfCFTA, among other benefits, would expand intra-Africa trade and provide real opportunities for Africa. The Bank has focused its expansion efforts on powering digital payments across Africa with the launch of 'AccessAfrica' product - a payment gateway that serves to facilitate cross-border trade and non-trade payments.

Aligning with the Access Corporation strategy, the focus is to become an aggregator in Africa, building a global payments gateway and providing trade finance support and correspondent banking services across the continent. An underlying factor in the Bank's expansion is the growth of its customer base with unprecedented ease. This has made it easier for it to secure a broader geographic footprint across Africa and the rest of the world.
The Bank has grown remarkably not only in its financial performance, but also in its social and environmental competence. The success of these key strategic points will solidify the Bank's position on the Rwanda's top 5 banks in 2022.

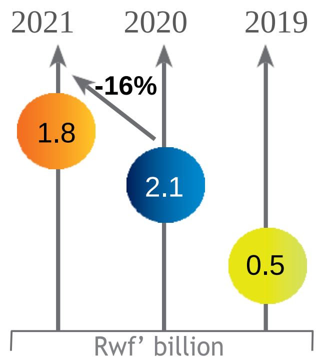
BUSINESS & FINANCIAL HIGHLIGHTS

01

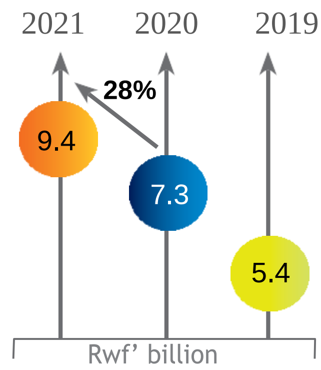


BUSINESS & FINANCIAL HIGHLIGHTS

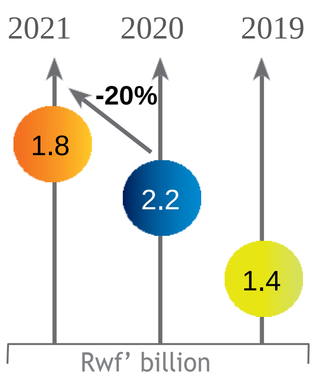
Profit after tax



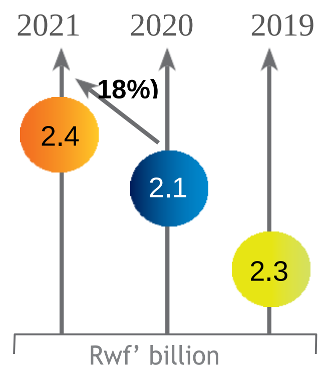
Interest income



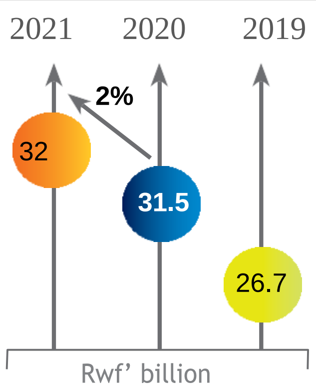
Foreign exchange income



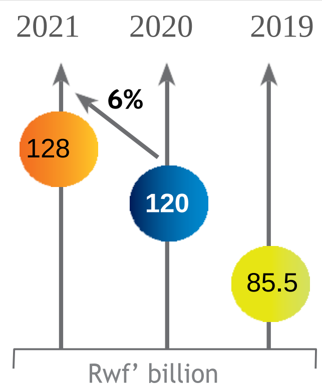
Fee and commissions income



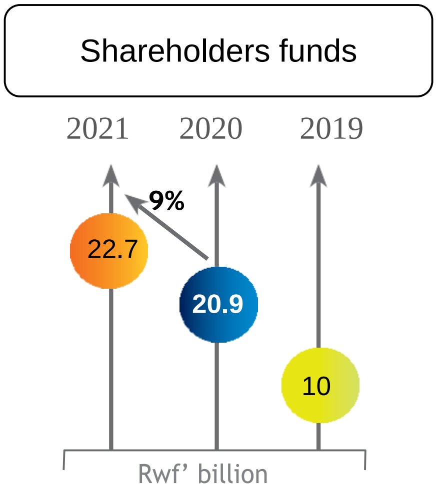
Net loans and advances

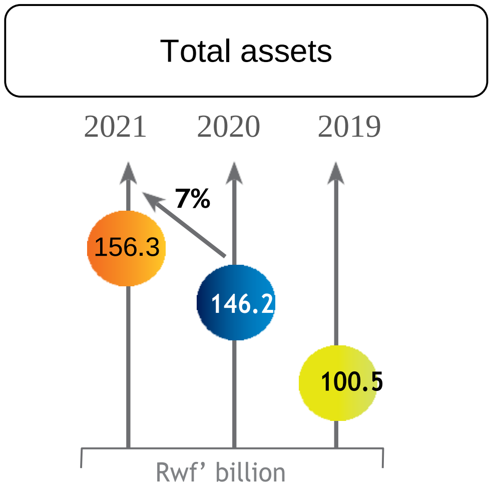


Customer's deposits



BUSINESS & FINANCIAL HIGHLIGHTS





In billion of FRW	2021	2020	2019	Growth ('20 - '21)
Gross earnings	13.7	11.9	9.7	15%
Profit before tax	3.1	3.3	0.8	-5%
Profit after tax	1.8	2.1	0.5	-16%
Interest income	9.4	7.3	5.4	28%
Foreign exchange income	1.8	2.2	1.4	-20%
Fee and commissions income	2.4	2.1	2.3	18%
Customers' deposits	128	120	85.5	6%
Net loans and advances	32	31.5	26.7	2%
Shareholders funds	22.7	20.9	10	9%
Total assets	156.3	146.2	100.5	7%


SERVICE EXCELLENCE AWARD 2021
"Commercial Bank of the year"
Thank you to our loyal customers, serving you is our priviledge and we look forward to continue being part of your success story as you are in ours.
SERVICE EXCELLENCE AWARD 2021
COMMERCIAL BANK OF THE YEAR
ACCESS BANK
access
more than banking

LOCATION & OFFICES

We are a financial institution with head office in Rwanda, driven by strong core values that enable us continuously deliver strong and sustainable performance. We are in business to help our customers build a sustainable future by offering bespoke products and solutions using highly skilled workforce across Rwanda. Access Bank Rwanda Plc is a wholly owned subsidiary of Access Bank Plc operating in more than 15 locations worldwide.

Key business segments of the Bank are:

These segments are further divided into strategic business Units where Wholesale Banking comprise Corporate and Investment Banking, Commercial Banking and Public Sector Banking whereas Retail Banking comprise of Business Banking, Personal Banking and Women Banking.

The key customer segments include: Telecommunications, Beverages, Manufacturing, Construction, Oil & Gas, Parastatals, High Networth Individuals, Middle Income Professionals, and Financial Inclusion Customers.

We are proud of our ability to add value to clients and to leverage our unique value proposition to provide innovative solutions across the economic value chain. In deploying products and services, the Bank adheres to responsible business practices and readily commits resources to social investments in fulfillment of its corporate social responsibility objectives.

We are located at the city center of Rwanda. We operate 8 branches within the country, 5 branches in Kigali city, 2 branches in Western province and 1 branch in the Northern province.

CHAIRPERSON'S STATEMENT

Chantal Mubarure
CHAIRPERSON OF THE BOARD

Overview

It is with great honor to present our 2021 annual results to our shareholders and other stakeholders. While our financial results were a consequence of the difficult market environment, the Board and management fully recognize the challenges we faced, and were committed to addressing them head-on to lift our performance and returns.

It is our firm belief that these challenges, together with market and industry disruptions, offer the opportunity for us to think forward, adapt, and take decisive steps to reposition Access Bank Rwanda Plc ("Access Bank") for success in a rapidly changing world. We undertook a review of our businesses, and have charted a clear roadmap to enhance the value of our Company and build a better, brighter future for Access Bank.

Despite the changing regulatory and economic landscape, the Bank's accomplishment is a testament to the capabilities of the Board, Executive Management, and our people to deliver on the Bank's strategic objectives.

Responsible Growth

Access Bank has long held a strong commitment to sustainability. We believe that responsible corporates can play a role as agents of transformation for a sustainable future. In addition, we see sustainability at our company as inextricably linked to our ability to deliver long-term value and growth to all our stakeholders.

In the year 2021, Access Bank delivered RWF 13.7 Billion in gross earnings driven by a disciplined focus on sustainable growth. Velocity of customer activities was strong across all our business lines, compensating for the impact of lower yields on gross earnings. We recorded an interest income of RWF9.4 Billion in the period (a 28% increase y/y) mainly driven by increase in investments and loans. We closed with a net loan book of RWF32 Billion supporting business flows and value creation across the country.

Access Bank made several investments to strengthen relationships with its customers in the year. By redefining our approach to customer service through streamlining our internal processes, we were able to improve on our customer experience. Also, we were able to manage our expenses in line with the target for 2021 despite overall cost of running the enlarged enterprise. Our capital and liquidity ratios were also well above regulatory limits with our capital adequacy ratio remaining strong at 22.9%.

Dividend

Given the performance of the Bank, we are pleased to propose the adoption of ploughing the profit back to the Bank. This would enable the Bank to meet its strategic aspiration. This resolution was presented to shareholders for approval at the 2022 Annual General Meeting.

The Future

We will grow our businesses and continue to invest in IT capacity until we become an incredibly strong bank for retail customers around the world. We will continue to play our areas of strength such as cash management, trade finance, customer services, and develop and deploy quality financial products supported by world-class service delivering to address our customers' emerging needs.
As we continue to consolidate the gains from our decisive approach to pushing our retail franchise, we have identified several opportunities, for Access Bank to deepen its financial services offerings to banked customers as well as extend financial services to the unbanked.
Though many organizations and individuals have been deeply affected by the unprecedented Covid-19 pandemic, as a Bank, we feel privileged to have committed significant financial and human resources to support our esteemed customers, employees, and the communities we serve.

Corporate Governance

We regard corporate governance as a foundation for the Bank's sustainable growth. As a Board of Directors, we focus on the Bank's strategic objectives for the Management to put them into effect and supervise Management on same.
The Bank's governance model is founded on key pillars of diversity, accountability, responsibility, transparency, independence, fairness, and discipline. The role of the Board includes independent judgment and scrutiny to the proposals and actions of the Management especially on issues of strategy, performance evaluation and key appointments. Accordingly, we have always aspired to have a Board that knows its subject matter, understands its governance responsibilities and adds value to the Management team.

For the biggest part of 2021, the Board was composed of four (4) Independent Non-Executive Directors and Two (2) Executive Directors and One (1) Non-Executive Director.

The same year saw a number of changes in the Board with the introduction of Mr. Faustin R. Byishimo as the new Country Managing Director replacing Mr. Jean Claude Karayenzi who had taken up responsibilities at Access Bank PLC.

Mrs. Kalisa Prossie also joined the Board as an Executive Director for Retail and Digital Banking replacing Oluseun Onasoga who had also taken up responsibilities at the Access Bank Plc as. Albeit, all the changes in the Board, the ratio of 4/7 Independent Directors was maintained.

On behalf of the Board of Directors of Access Bank Rwanda Plc, I would like to express our appreciation for the contribution of Mr. Karayenzi and Mr. Oluseun towards the growth of the Bank over the years.

Commitment to Human Capital Development

We understand that our people are the driving force behind Access Bank's success and that being a great place to work is a driver for responsible growth. Therefore, we continue to work diligently to create a workplace where our people can flourish. Our obligation to our people includes our ongoing commitment to developing and managing.

Corporate Social Responsibility

Giving back to communities we serve has always been at the core of our values as Access Bank Rwanda. We believe that the Bank hold particular responsibility towards the communities in which we operate. We continue to do this because Access cares and does more than banking.

We have endeavored to build our businesses on a foundation of integrity and ethical conduct, with responsible management and investing being an intrinsic part of our commitment to sustainability.

- The Bank visited "Inshuti z'Abakene," a sister home of 27 vulnerable orphans, in Kanombe. The team donated various household items including domestic animals to support the children's growth and wellbeing.

- In December, the Bank visited a pediatric hospital in Kanombe and provided essential supplies to various families with forty babies in the neonatal unit and paid outstanding bill.

- In the same month, the Bank also paid medical insurance for 314 vulnerable residents of Gasabo district.

I would like to reiterate that at Access Bank Rwanda we take very seriously our responsibility to our shareholders, and our duty to build a strong, profitable and sustainable business.

Conclusion

The past year was filled with significant challenges, but we have emerged a better and stronger business for it. We will continue to focus on pursuing sustainable growth, exploring new opportunities, driving innovation, and striving to become a world-class and modern financial enterprise. Though macroeconomic challenges and uncertainties remain, I am confident that we can address our current challenges while doing the work necessary to achieve the future we have mapped out for ourselves.

On behalf of the Board of Directors, I would like to thank you, our shareholders, for your continued investment and steadfast commitment to Access Bank Rwanda Plc. We recognize the commitment you have made to the company, which I believe remains solid.

We need to thank the customers also for their loyalty and the staff for their dedication.

I thank you all. May the good God bless Access Bank Rwanda Plc.


access


access

CEO's STATEMENT

Faustin R. Byishimo

MANAGING DIRECTOR

Introduction

2021 was another challenging year for the Bank, the banking industry, and the business community in general impacted by the emergence of yet other Covid-19 variants and related tighter pandemic preventive measures that included lockdowns, and prolonged period of staff working from home.

The Management Team focus continued to be the wellbeing of the employees while supporting our customers, and our communities. The employees' infection rate remained very low as the vaccination rate increased month after month.

Despite the challenges, Access Bank Rwanda strived towards business excellence, achieving resilient results notwithstanding slow growth in some areas of the business.

Financial Performance

The Bank achieved a 15% increase year-on-year (y-o-y) in gross earnings of RWF 13.7 Billion from RWF11.9 Billion recorded in 2020.

Gross earnings increase was driven by a y-o-y growth of 28% in Net Interest Income, and 18% in net fees and commissions.

Total assets of the Bank was Rwf 156Billion from Rwf 146Billion while liabilities grew by Rwf 8Billion from Rwf 125Billion in 2020 to Rwf 133Billion driven by 6% growth in deposits from Rwf 120Billion to Rwf 128Billion

Non-Performing Loan (NPL) ratio remained below regulatory limit of 5% and one of the best in the industry at 3.48% by December 31, 2021.

The Bank also realized a 6% growth in deposits YoY while income generated from fees and commissions also grew by 18%.

The growth in Risk Assets, Deposits and gross earnings during 2021 is a demonstration of what we can achieve as Access Bank Rwanda when we stay true to our values.

Our ambition as Access Bank Rwanda still remains to drive a high-performance culture while building positive and sustainable customer experience at the heart of what we do.

Delivering on our Strategy

Digital transformation of the Bank and growing the retail business segment continued to be our key strategic focus in 2021. We recruited an Executive Director for Retail & Digital and set up the digital team to drive the performance of the digital channels. Partnerships with Fintechs such as Exuus and Groupeya catalyzed onboarding of retail customers.

We were able to launch phase 1 the agency banking platform through which we successfully recruited 170 agents during 2021. This helped in both growing the Bank's retail clients and the Bank's geographical footprint.

The successful data migration from Flexcube V7 to Flexcube V12 played a critical part in improving the Bank's digital channels and the efficiency on how we serve our clients in general. The new version of Flexcube is associated with improvements such as improved turnaround time, reduced downtime and automation of processes which are key to the Bank's ultimate objective of improving digital channels.

Other initiatives such as instant account opening and the launch of the SMS gateway app which was developed internally played an important role in growing the digital channels to expand the Bank's geographical outreach.

All the initiatives offer us a good foundation to further grow the retail and digital business of the Bank in 2022.

Human Resource Management

Access Bank (Rwanda) Plc is committed to creating an enabling environment for high performance as well as fostering an inclusive and flexible workplace which supports work-life balance. The Bank prioritized staff engagement in 2021 to continuously motivate the staff especially during the first three quarters of the year which saw a number of lockdowns and emergence of different COVID-19 variants.

We did not only continue to support employee capacity development but ensured that all employees were fully vaccinated to protect staff from the fast spreading variants.
Also, as Management of the Bank, we recognize the importance of having a diverse workforce. From experience, inclusive, diverse teams produce more innovative ideas which increase creativity and productivity.

1 OVERVIEWS

At Access Bank Rwanda, we endeavor to maintain a diverse workforce at all times and it is this spirit that the Women at the Bank are provided with the opportunities, tools, networks and all the required support to take up leadership roles.

Strength in Sustainability

As a purpose driven business, sustainability is integral to the way Access Bank Rwanda does business. Sustainability is one of the key drivers to most our business decisions and frequently dictates how we serve our customers. Access Bank Rwanda has moved a step ahead to incorporate sustainable business practices in its business model such as establishing a unit specific to women banking which gives it a competitive advantage over its peers in this segment.

It is with such deliberate business decisions and Access Bank Rwanda's commitment to sustainability that the Bank was recognized as the Commercial Bank of the year (2021) at the Service Excellence Award Ceremony. At Access Bank Rwanda, we are committed to setting standards and championing innovative solutions that address social, economic and environmental challenges.

Conclusion and 2022 Outlook

The strategic aspirations of Access Bank Rwanda still remain to lead in the Retail and Digital Banking space in Rwanda. To realize these aspirations, the Bank continued to leverage on digital initiatives such as Agency Banking, Instant Account Opening among other with an aim of solidifying the Bank's presence in the digital space.

With the loosening of the Covid-19 restrictions, we anticipate an increase in the uptake of the Bank's products. We also expect increased outreach and improvement service delivery to our customers with the help of digital channels such as Accessmore and Accesspay.

The business disruption of the entire banking industry in 2020 and part of 2021 compelled banks to shift their focus on to digital channels and other innovative methods to better serve their customers. As one of the leading players in this market with a young dynamic workforce, Access Bank Rwanda is determined to take advantage of all the opportunities as they appear following the lifting of the COVID-19 restrictions. Now that we have the resources and potential to grow the business organically, Access Bank Rwanda can and will deliver substantial value to all its stakeholders.

We have also strengthened our capabilities across all business units by strengthening the senior management teams, developing innovative product offerings backed by improvement in processes and widening our distribution reach through digital channels.

Despite the commendable growth in 2021, our focus still continues to be on further scaling up business units for the Bank to gain higher market share in both Retail and Wholesale banking business.

2

BUSINESS REVIEW

CORPORATE PHILOSOPHY

Our Vision

To be the World's Most Respected African Bank.

Our Mission

Setting standards for sustainable business practices that unleash the talents of our employees, deliver superior value to our customers and provide innovative solutions for the markets and communities we serve.

Excellence

- Surpassing ordinary standards to be the best in all that we do;
- Setting the standard for what it means to be exceptional;

Our approach is not that of excellence at all costs– it is excellence on all fronts, so that we deliver outcomes that are economically, environmentally and socially responsible.

Innovation

- Pioneering new ways of doing things, new products and services, new approaches to customers;
- Being first, testing the waters and pushing boundaries;
- Anticipating and responding quickly to market needs with the right technology, products and services to achieve customer objectives

Leadership

- Leading by example, leading with guts;
- Being first, being the best and sometimes being the only;
- Challenging the status quo

Passion for Customers

- Doing more than just delivering excellent customer service;
- Helping people to clearly understand how our products and services work;
- Treating customers fairly. Building long-term relationships based on trust, fairness and transparency.

Professionalism

- Putting our best foot forward in everything we do, especially in high pressure situations;
- Consistently bringing the best of our knowledge and expertise to the table in all our interactions with our stake-holders;

Setting the highest standards in our work ethics, behaviours, activities and in the way we treat our customers and, just as importantly, one another.

Empowered Employees

- Based on shared values and vision, developing our people to become world-class professionals

Encouraging a sense of ownership at individual levels, whilst fostering team spirit and commitment to a shared vision.

GPO Partners

REPORT TO THE BOARD OF DIRECTORS OF ACCESS BANK RWANDA PLC ON THE BOARD AND DIRECTORS EVALUATION

GPO PARTNERS RWANDA was engaged to carry out an assessment of the performance of the Board of Directors of ACCESS BANK RWANDA PLC as required by article 21 of the National Bank of Rwanda's Regulation no 01/2018 of 24/01/2018 on corporate governance for banks. The Law requires that the review should cover all aspects of the Board's structure and composition, responsibilities, processes and relationships, as well as individual members' competencies and respective roles in the Board's performance. The review was conducted for the period ended December 31, 2021.

The Board is responsible for the preparation and presentation of information relevant to its performance. Our responsibility is to reach a conclusion on the Board's performance based on work carried out within the scope of our engagement as contained in our letter of engagement. In carrying out the evaluation, we have relied on representations made by members of the Board and management and on the documents provided for our review.

The Board has substantially complied with the provisions of the laws. This is evidenced by the diversity of skills, quality of experience and commitment of members of the Board, the effectiveness of the Board Committees and the involvement of the Independent Directors in the strategy formulation process. In addition, the Board has indicated its strong commitment to risk management as demonstrated through detailed risk management framework. Areas for improvement, major findings and recommendations are contained in this report to the Board.

We have also been facilitated by the Directors by completing their individual self-evaluation, and their fellow Directors for the year under review. This assessment covered the perceived competence, level of attendance at Board and Board Committee meetings, contribution and participation at these meetings and relationships with each other.
If you have question regarding the results contained in this report or any other matters, please do not hesitate to contact the undersigned.

For GPO Partners Rwanda Ltd

GPO Partners RWANDA Ltd
Tel: (250) 788600075
P.O. Box 1902 KIGALI
Audit-Accounting-Tax-Advisory

Patrick GASHAGAZA
Managing Partner

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P.O. Box 1902 - Kigali – Rwanda
Company Code / V.A.T. : 100161492
Audit - Accounting - Tax – Advisory

WHOLESALE BANKING

The Wholesale Banking is a Division is made up of two business groups: Corporate & Investment Banking and the Commercial Banking Group respectively.

Corporate Banking Group

The team mainly focuses in adding value, provide financial and investment advises as well as providing operational solutions to entities such as government related entities.

This is a combination of multinational, well-structured large local and foreign owned companies with risk rating falling within a specified limit, as well as financial institutions in the banking, capital markets, pensions and insurance sub- sectors.

With a team of skilled professionals, we provide a comprehensive range of financial services and products to clients from below sectors:

- **Oil & Gas**
- **Telecoms**
- **Financial Institutions**
- **FMCG**
- **Cement & Metal Fabrication**
- **Transport & Logistics**
- **Beverages & Food**

Our overall objective is to help our corporate clients increase their revenues or reduce their operating costs, thereby improving overall performance. Our execution strategy is around an integrated support of the unique value chain of each corporate client, deepening relationships and connecting our clients with the capabilities and solutions they need to drive their businesses. We take pride in building strong relationships with our clients.

The team also provides financial services to government-controlled entities specifically in terms of taxes/utilities collections through integrated payment solutions. It has made its footprint in the market with regulatory agencies.

Business Performance

The Corporate and Investment Bank sustained a steady performance growth over the period under review (2021) in term of key customer name acquisition (over 15% market share from 5%), deposit mobilization and loan and advances compared to the 2020 financial year which has resulted to a broad-based revenue growth across all key industries such as Oil & Gas, Cement, Transport and Logistics, Telecoms, FMCG.

The growth is also attributed to the adoption and implementation of its strategic initiative: Onboarding of One Bank Names (Multinationals with regional presences across the global), about 16 One Bank Names have been successfully onboarded in 2021.

The performance growth achievement has resulted to a recognition as the most profitable profit center across the group subsidiaries.

2022 outlook

Global conditions:

The global economy is expected to moderate from 5.9% in 2021 to 4.4% in 2022, largely due to supply chain disruptions, energy price volatility, and localized wage pressures. There remains uncertainty about the path of economic growth this year, much of it due to risks surrounding the evolution of the virus, and the developing geopolitical turmoil.

Outlook Review on Rwanda:

Rwanda's GDP rebounded in 2021 with double digits growth of 10.9% driven by a faster recovery of the agriculture sector and the industry sector, following a GDP contraction in 2020. The country is expected to grow to 5.7% in 2022, supported mainly by high infrastructure spending and a pick-up in the tourism sector as the effects of the pandemic dissipate.

The business unit will remain composed to strategically position itself to gain a substantial share of the corporate space while providing solution to our customer paint points and covering identified funding gaps.

Building synergy across our regional presence will continue to be an integral part of our success to dominate the corporate space while adding value to our customer's businesses.

The unit is positioned to be become a key player in the trade (both export and import) through tailored made value proposition and establishment of a dedicated and skilled trade desk.

COMMERCIAL BANKING

At the heart of the Bank's strategic business unit is the Commercial Banking Division. The Division has been an integral part of the Bank's history playing a significant role in customer acquisition, deposit mobilization, revenue growth, innovation, and brand improvement through customer-centric operating models and bespoke financial solutions.

BUSINESS MODEL

The Division operates a well-defined, value-specific, and dynamic structure that expounds our customers' segmentation into sectors taking into consideration other parameters such as industry, turnover and market need etc.

The Division serves the following sectors

- Retail Oil and Gas players.
- Tier 1 & 2 SME Corporates
- Mid-Level Export Clients
- Real Estate
- Non-Government Organizations
- General Trading
- Contractors

The heartbeat of the Commercial Banking Division is our esteemed customers, and the backbone is the workforce. The workforce drives the business through diligence, commitment, market knowledge and passion with emphasis on expertise, competence, and sustainability.

BUSINESS FRAMEWORK & FOCUS

We will leverage on our information technology systems and adapted digital infrastructure in ensuring we continue to deliver optimum service to our clientele base in term of cash flow management. We will ensure a high digital penetration on our payment solutions such as ACCESSPAY is attained to ensure that their transactions and payments requirements are seamless.

we have continued to work together across the team to build resilience into our operations, maintain efficiency and offer superior services and experience to our valued customers.

Our strongest asset will be the talent of our people and their ability to effectively utilize their skills to advance the Bank in a timely manner. The long-term growth and success of the Division and Bank at large depend on our ability to attract and retain the right people by providing a clear and possibly accelerated growth path that is built solely on merit.

BUSINESS BANKING

Business Banking Division provides tailor-made products to MSMEs (Micro, Small and Medium) Enterprises, to support their growing business needs.
We maintain a customer-focused and digital-led approach in delivering superior customer service in line with the Bank's five-year strategy.
Our Division has one of the highest growth potentials and remains an integral aspect of the future of the Bank, as bankable opportunities.

2021 YEAR IN REVIEW

I. Value chain Focus

To effectively penetrate the MSME market, we focused on the value chain of Corporates with biggest distribution channel. The sectors focused on were Telecommunication, Breweries, Cement, FMCGs, Manufacturing facilities and petroleum products dealers (dealers, distributors, vendors and suppliers).

II. Corporate Market Share Increase

Using analytics, we significantly increased the market share of our top corporates through value propositions, customization of offerings to meet the market peculiarities as well as improved vendor retention programs.

III. Partnership and Collaboration

Engagements to partner with MFIs, SACCOs (District Financial Institutions) and Fintechs with presence in every corner of the country to serve our customers all around the country. This is to support the countrdistributorship initiatives by providing nearby banking services to all distributors across the country.

2022 - YEAR FOCUS

I.Business Banking Credit Programs

As part of our lending approach to delivering superior customer service, we have assessed the market needs as well as competition landscape and we came up with new Credit Program that will fast track loan approvals and go beyond customers' expectations.
This was in a bid to improve customer experience and align the Bank's offering to the market realities and shall significantly contribute to an increase in our market share of the MSME industry.

II.Cashflow Lending App

As part of our efforts to provide access to finance for micro, small and medium enterprises, to support their growth and business expansion, we will adopt a digital lending portal, for business owners to easily access loans, from the comfort of their homes.

III. Instant Business Loan
An adoption of an automated Instant Business Loan platform will be done to better meet the needs of our customers.

IV.Partnership and Collaboration
Partnerships with employers and corporates in all Sectors of activities in our economy will be established to penetrate the whole sector's channel. Digital platforms will be offered to MSMEs and other informally included sectors easing their books reconciliation processes while securing huge collections in our books.

POSITIONING FOR THE FUTURE
The face of banking is changing faster than imagined and we are aware of the constant disruption to our business, due to varying factors including stiffer competitions from Fintechs. We are committed to sustainable business practices in reshaping the dynamics of the markets we play, as we identify new opportunities in these markets and other uncontested market spaces.

We have created a detailed mapping of all markets, segmenting each market in our bid to identify dominating sectors, mapping each market along our structure. Our targeted customer segments will continue to expand across the following key segments and centres of Excellence.

- Imports and Exports
- Distributive Trade
- Dealers and Distributors
- Vendors
- Healthcare Providers
- Hospitality
- IT and Fintech

We remain on track to meeting our aspiration as we build a distinctive Business Banking brand known for customer service excellence in Rwanda in the year 2022.
We are committed to winning mindshare through deliberate customer engagements, towards attaining market dominance, in the new normal.

Our 2022 strategic approach is hinged on the following

- Market dominance,
- Sector focused,
- Top market leaders' conversion and
- Product and channels migration

We are committed to meeting our aspiration to be the #3 MSME Bank in Rwanda as we build a distinctive Business Banking brand, positioned to continuously increase the share of our customers' minds.

RETAIL BANKING

2021 marked a year of concern for retail bankers amidst the Covid-19 pandemic that spread in first quarter of 2020. Less travelling cut into foreign exchange and card revenues. Increasing savings, deposits and investments, unbroken appetite for real estate, a move to cashless and notably government programs to curb insolvencies and unemployment have worked well – so far

2021 was a defining year across industries all over the world and for us as an institution; a year that reinforced our position, not only in the industry, but in the lives of our customers. This year presented us with many unprecedented challenges but despite the turbulence experienced through the year, we were able to rise to the challenge, adapt to a new normal and exceed expectations.

Perhaps most notably, last year put the spotlight on the fundamental transformation agenda in retail banking: a rethinking of everything related to sales and marketing (beyond branch models), the need to uplift product and pricing capabilities, a positioning in and for an ecosystem play.

2021 RETAIL BANKING SEGMENT

Leveraging our greatest assets in the retail business, our people and data, we revisited the foundations of our business and enhanced everything from our business model to our propositions looking for new and sustainable ways to create and capture value. This resulted in a paradigm shift in our thinking and strengthened our customer-first, digital-first and data-led outlook. In response to the emergent needs of our customers, our new way of thinking gave rise to the creation of forged strategic partnerships, product development as well as accelerated growth across all our retail business segments. Our retail offerings and propositions were redesigned to suit the new realities of our customers without compromising service quality.

In 2021, the Retail Banking Division leveraged the following to drive the Bank's 5-year business strategy:

- New product developments
- Digital products development & partnerships
- Government institution partnerships
- Account re-activation
- Deepened relationship management.
- E-channels cross selling

Some major wins recorded during the year include:

- Enhancment of Agency Banking unit & platform;
- Digital instant account opening platform launch;
- Partnership with Exuus
- Partnerships with various Government institutions leveraging on opening their Staff saving Schemes accounts and providing financial support (Loans) to employees;
- On top of Western Union, we launched a partnership with MoneyGram and advanced engagement to initiate partnerships with other MTOs which includes, RIA, Small World (To be launched in 2022);
- Onboarding more than 34,878 of retail customers on e-channels platforms;
- Loan products offering were upgraded considering customer's needs to provide customer centric solutions;
- Mass Accounts opening initiative through penetrating cooperatives eco-system

In 2021, the Division's strategy was focused on digital banking transformation, sustainable growth and value creation for stakeholders across Rwanda. We have made significant progress on our journey to become The World's Most Respected African Bank and as we go into the new year, we would build on the gains, learnings and winning strategies from 2021 to meet the needs and aspirations of all our stakeholders.

In order to drive awareness and uptake of products, several product-based campaigns were organized during the year. These campaigns were conducted virtually, leveraging social media as a major communication tool. Some of the campaigns include the e-channels Grand prix campaign, Digital PayDay Loan campaign and channels adoption campaigns.

SEGMENTS AND PROPOSITIONS

The way customers view their Bank is changing beyond the transactional relationship. The average customer wants a bank that can help manage his/her finances, help him/her save and invest for the future and get access to lifestyle solutions. The high level expectations of our customers span all segments, from the mass market through to emerging businesses and private banking clients.

In 2021, the Division's strategy was aimed at becoming the Retail & Digital Bank of choice for all Rwandans. Despite the challenges posed by the global pandemic at the start of the year, we recorded accelerated growth through digital initiatives which allowed us to offer more benefits and rewards to our customers regardless of their location.

Our current level of growth is one which must be sustained to ensure consistent value creation that will help provide our stakeholders with relevant and sustainable products to achieve their goals and nurture a retail business that would save the day and propel us into attaining our vision.

SAVINGS (CHILDREN, YOUTH AND SENIORS)

Access Bank Rwanda offers a variety of saving products to particularly be benefited by each category of people from Youth, Women and elders. The savings products are secure, convenient and can be accessed through multi-channels. Part of the Division's strategy is to ensure that our solutions are ingrained throughout the life stages of our customers from an early age to advanced adulthood through continuous engagement as they transition. Our senior citizens are offered the opportunity to bank for free and earn interest while enjoying customized offers.

In 2020, retail customers derived benefits from the outlined initiatives listed below:

- Children: (Early Savers Account)
- Youth: (Access Youth Saving Account)
- Seniors: (Ntugasaze Saving Account)
- Women: (Women Savings)
- Access Advantage: (All categories)

CONSUMER LENDING BUSINESS

Traditional Lending

The Bank created several variants of home loans through the Access Mortgage Loan to ensure customers access more opportunities to own homes. We also committed to making the product more attractive and valuable and this put us in a better position this year.

The Covid-19 pandemic provided some unique opportunities which were tapped into through the offering of Personal Loans and Instant Payday Loans accessible via mobile phone devices. This initiative was aimed at providing relief for customers (parents and guardians) whose salaries were reduced as a negative result of the Covid-19 pandemic measures yet they had to pay their children's school fees and other daily expenses, this has proven efficient over time.

Based on our understanding of the need to make life easier for both customers and staff, Vehicle Financing to provide easy access to brand new and used cars was put in place.

Digital Lending (PayDay Loan)

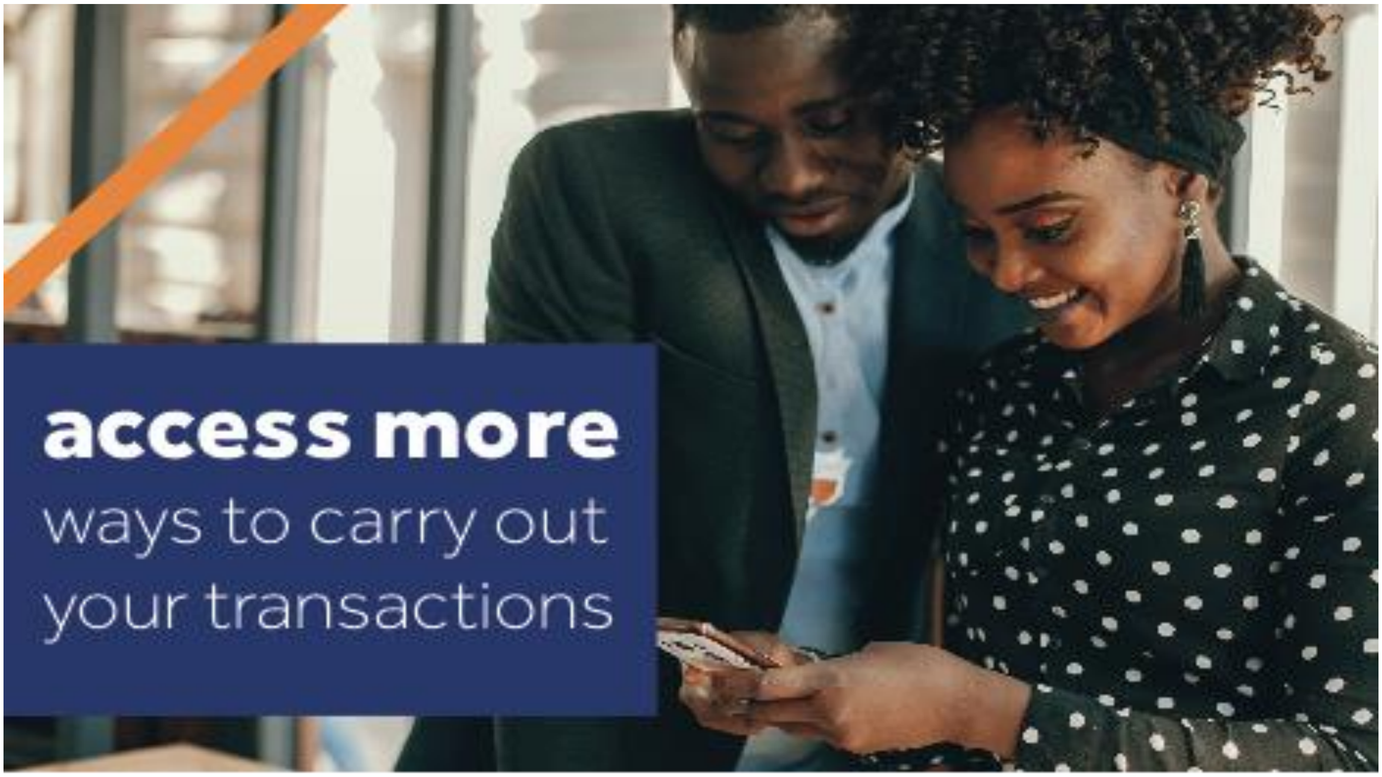
Since the launch of the PayDay digital lending product, tailored to salaried earners, the Bank continues to enhance the digital lending portfolio by reviewing the existing process and ensure customers are conveniently registered and served. The management's approval to issue unsecured credit cards to salary earners placed a good selling point enabling the smooth approach to the market, growing the Bank's retail credit portfolio.

AGENCY BANKING (IKAZE)

The Agency Banking business through its activities increased our retail service footprint by taking banking services to customers in their local communities and immediate environs.

We ensured agent network presence in the 4 corners of the country and we plan to increase our agent network by 5,000 new agents in 2022 conveniently and safely offering basic banking services such as cash withdrawal, cash transfer, account opening and bill payments. The impact of the Covid-19 pandemic on access to financial services was mitigated as starting from November 2020 agents were readily available to serve customers even when the traditional branches were shut due to the lockdown and curfew imposed across the country.

A key step increased visibility for the Access Ikaze Agent network was the branding and geo-tagging of our agent locations across Rwanda.



Dear Customer,

You have access to your Bank anywhere and anytime through:

Whatsapp Banking	Internet Banking	Mobile USSD	Cards	ATMs	Ikaze Agent

*903#

Enjoy quick and seamless transactions on any platform you choose!

More information
+250 788 145 300
rwanda.accessbankplc.com

access

more than banking

E-CHANNELS BUSINESS (Digital Banking)

Our channels business has continued to record significant growth by taking advantage of the digital explosion accelerated by the pandemic.

The financial inclusion agenda has dramatically changed how financial services are being delivered to the underbanked segment of the economy. Driving financial inclusion by providing seamless payments and championing the cashless policy and digitization of services through fast and highly secure payment platforms is at the core of the digital channels business. Through the simple, secure and user-friendly USSD service (*903#) which requires no internet connection, low-income earners who are underbanked have access to basic banking services on their mobile devices. The Bank is developing the in-House USSD Platform which shall cut the cost used to be paid to the external vendor, help fasten the support to customers and increase the usage of the platform

Access Pay, USSD & WhatsApp Banking Platforms

The AccessPay, USSD & Whatsapp Banking platforms were introduced to serve all our internet and mobile banking customers, these platforms provide easy Access to accounts and allow international and local payments of various lifestyle services, transfers, Payday Loan access, electricity and airtime top-up services. The Accessmore Mobile App is also under development to ensure convenience to customers remains our key

Cards

Access Bank Rwanda Plc's card products include: Visa Credit cards and Debit cards, their features are regularly upgraded to ensure they are delivering the best experience and can be used across all channels around the world. Our card products are available to individual and corporate customers and can also be customized on request. A full integration of Visa Premium cards (Infinite, Signature and Platinum) was done to enhance and ensure the best customer service experience. These will be launched this year of 2022.

Automated Teller Machines (ATMs)

With 10 ATMs strategically spread across the country, the Bank continues to serve both its customers and other bank's customers. NFC local cards were launched to allow easy payment of local purchases & services such as loading money on transportation cards. The NFC solutions being enriched with possibilities addressing the market needs including but not limited to Moto transport fare payments and cash-out.


ACCESS AFRICA
Africa is Next Door
Bank without borders!
SEND
RECEIVED
Available in:
Rwanda | Nigeria | Benin Republic | Burkina Faso | China | DR. Congo
Europe | Ghana | Sierra Leone | The Gambia | United Kingdom
Zambia | India | Belgium | France | Germany | Italy | Hong Kong
Spain | Cyprus | Switzerland | Austria | Norway | Guinea | Mozambique | Kenya
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access
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INTERNATIONAL PAYMENTS REMITTANCE

Access Africa

As part of the Bank's aspirations to be Africa's Payment Gateway, AccessAfrica was developed as a platform to facilitate cross-border multi-currency funds transfers. This initiative is poised to alleviate currency volatility and international payments for Africans. It enables customers and prospective customers send near instant local currency payments to their desired beneficiaries. It has aided cross-border trade and remittance, allowing customers send local currency to other countries for beneficiaries to receive in their local currency.

Access Africa prides itself as a first-of-its-kind in the African banking space and continues to gain popularity across the continents. Access Africa continues to empower Africans in the provision of a white-label service to other service providers to consummate transactions on their customer's behalf in a safe and efficient manner taking into consideration all international compliance requirements

Remittances

Our Remittance business enables customers remit funds through International Money Transfer services to named beneficiaries. It is facilitated by cash payments and direct transfers to customer accounts of both Access Bank Rwanda Plc and other banks.
On top of Western Union, in 2020, Access Bank Rwanda initiated additional partnerships with various MTOs such as Moneygram and it is on the way of signing up RIA, Small World, etc. The Bank also started the onboarding of Remittance sub-agents in March 2022 to enable the extensive market penetration and ensure maximization of remittance usage ad revenue generation. We plan to lead the facilitation of international remittances in 2022 as a result of our Access Africa platform

FINANCIAL INCLUSION

Direct Sales

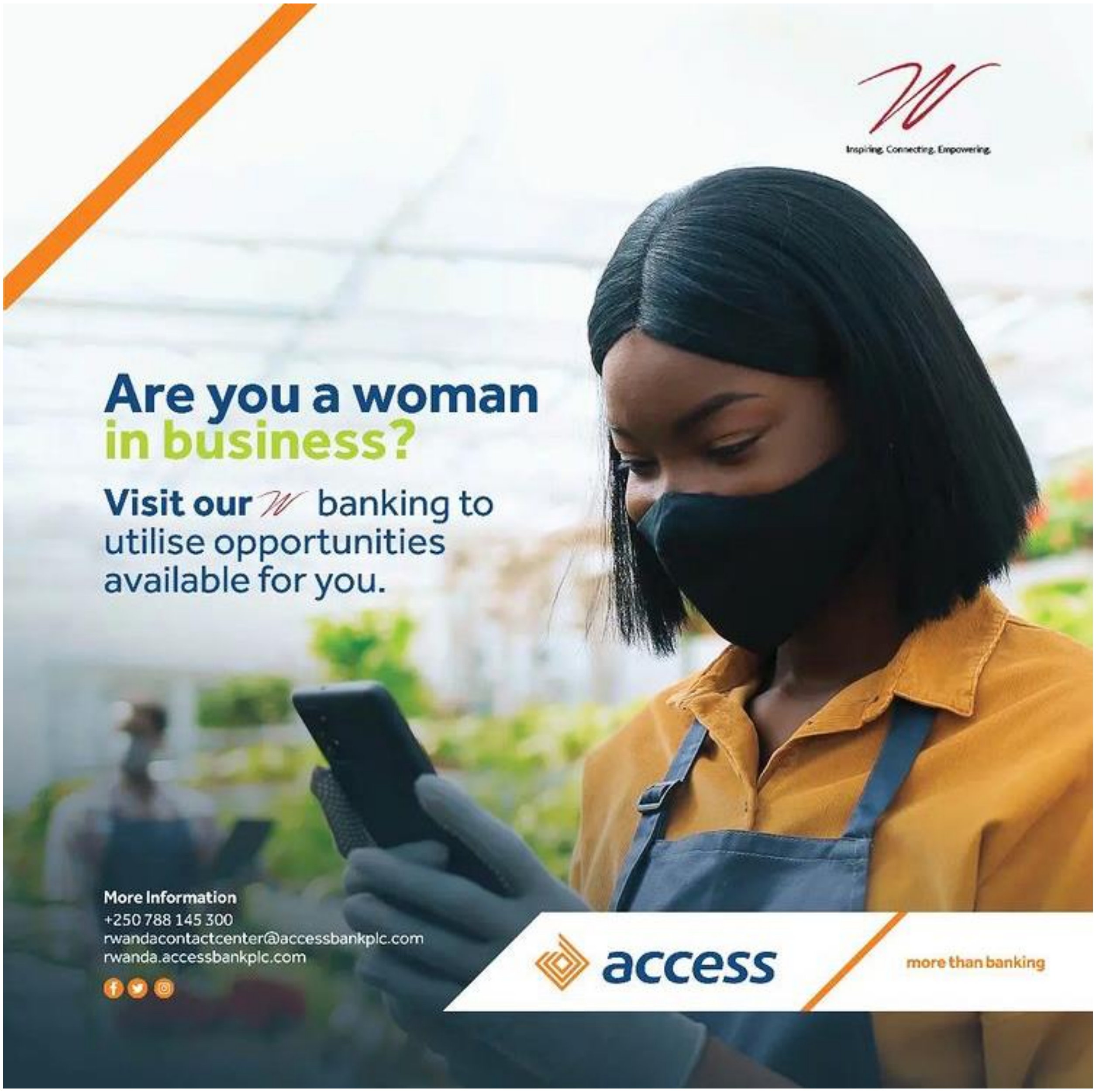
The recommencement of Direct Sales operational model after the covid-19 period with the help of the established new ways of onboarding new customers via Digital Instant Account Opening helped the Bank in the acquisition of customers. New ways of serving customers and onboarding them on e-channels were identified and this resulted in an improved customer service delivery. We continue to develop innovative solutions in partnership with fintechs in the country to ensure convenience and customer satisfaction.

PARTNERSHIPS & DIGITAL CAPABILITIES

In this time of unprecedented transformation by massive digitization, the Bank instituted a strategy focused on helping customers succeed with technology. Since inception, we have worked with partners to create technology powered solutions for customers and businesses, leveraging the variety of technology capabilities within the Bank.

New partnerships with Government Institutions (such as EUCL, RRA and RSSB), telecommunications companies and private companies were forged, providing digital solutions. The Bank aims at becoming the Rwandan digital bank by furthermore penetrating the digital industry ecosystem and increasing its participation in the global economy. Other Partnerships consisted of providing financial inclusion support to women, create banking relationships with government institutions value chain

WOMEN BANKING



W INITIATIVE RWANDA

The W Initiative is the Bank's women's market programme and has inspired, connected, and empowered women in Africa for over 14 years. W Initiative started in Rwanda in 2015 and over the years it has empowered many women in their various segments.
In order to drive awareness and uptake of products, several product-based campaigns were organized during the year. These campaigns were conducted virtually, leveraging social media as a major communication tool. Some of the campaigns include the W Power Loan campaign, MHSS campaign, Women Saving accounts and channels adoption campaign. Some of the activities, and initiatives under the W Initiative in 2021 includes;

W Webinar Series – a capacity building initiative under the W Academy introduced in response to the restriction of physical engagements due to the Covid-19 pandemic. 3 webinars were organized by the W initiative with 3,000+ registered participants across the country. The webinars were focused on how to handle business during and after Covid-19 and how their businesses can excel in the new normal.

Blood Donation Campaign – This was a campaign that took place in partnership with Rwanda Biomedical Centre and We Care initiative. This initiative created awareness on Maternal Health Care through blood donation, created opportunity to bank Rwanda Biomedical Center and also created awareness of the W initiative where more than1,000 people participated in blood donation activity.

W Power Loan- This product was introduced to address the barriers of access to credit for WSMEs and bridge the gender credit gap to leverage lower priced funding to penetrate the WSME market.

TRANSACTION SERVICES, SETTLEMENT BANKING AND IT

The Transaction Services, Settlement, Channels & Digital Support functions provide the operational support for activities across the Bank's physical and digital channels. The outbreak of the pandemic presented an opportunity for the review of our service delivery model across all touch points, relying more on the use of our digital platforms in enhancing the operational efficiency required to serve customers in a safe and secure manner.

TRANSACTION SERVICES, SETTLEMENT BANKING

With a focus on operational excellence, efficiency and availability of our channels, service delivery and continuous process improvements, our processes have been automated as we enhanced our capacity to process the increased transactions from the digital platforms.

The combination of the above mentioned initiatives resulted growth in the transactions processed across our digital channels while maintaining safe operations across over 7 physical branch locations and business offices through which cash management and payment services were provided to customers.

In continuation of our culture of capacity building, we ensured that our people were trained through digital and virtual learning programmes in such a way that the restrictions to physical interactions did not adversely impact the workplace learning of our people

In 2022, we will focus on the shift in customer preference to our digital channels occasioned by the pandemic and will deepen our use of technology to serve our customers across all touch points. Our focus will be on simplifying our processes, building resilience in our operations, and providing our customers with an enjoyable experience at every interaction with us in our quest to become the World's Most Respected African Bank

INFORMATION TECHNOLOGY

The advent of disruptive technology such as Artificial Intelligence (AI) and Advanced Data Analytics has led to an increase in operational efficiency and revenue in the financial service industries across the globe. With the aid of technology, organizations have employed methodologies to ensure sustainable productivity and provide quality service to their customers during the pandemic.

By focusing and investing in technology, we have carried out the Bank's business continuity plan to ensure that optimal services are being rendered to customers. During the year 2021, we developed a number of innovative digital products for customers, enhanced cyber security to mitigate against cyber threats, automated more operational activities, and maintained optimal availability on all digital channels and platforms and also implemented Network Resilience.

Core Banking System upgrade

In 2021, the Bank upgraded its Core Banking System from Flexcube Version 7.1 to FCUBS Verion 12.0.2 with main objectives and benefits of:

- Increasing customer satisfaction and by providing consistent customer experience across all locations,
- Optimising operational and IT costs by consolidating core banking infrastructure to achieve more scalability and resiliency as well as minimizing cost of implementation and support,
- Accelerating the digitization of the Bank's initiatives,
- Driving business, product and operational efficiency,
- Reducing operational risk across Bank's locations.

Operational and Cost Efficiency

During the year 2021, and in line with our strategic intent, measures were taken to ensure sustainability and efficiency in the running of the Bank's operations with a significant reduction in cost. We carried out several process enhancements across different functions in the Bank such as IT & Operations to eliminate manual processes. This has helped us to focus more on strategic objectives.

In the area of operations, we have automated FCY inward transfer changes, card annual charges, cards payment transaction automation, e-business reconciliation on card. We also concluded the implementation of our Enterprise Resource Planning (ERP) solution which has efficiently reduced the use and cost of paper purchase.

In the same year, we enrolled over 37,508 customers on our USSD platform, over 1,029 customers on our payday loan platform and about 2,800 customers on our Access Pay platform. We have also deployed a new automated clearing system to work 24/7 and have procured new servers for our core banking system to accommodate more transactions and process transactions much faster.

Digital initiatives and achievements

In line with our digital vision to become "Africa's Gateway to the World", we have implemented and introduced to the market our banking products such as the Payday loan, Access Africa, USSD, EXUUS savings scheme, WhatsApp banking, RIPPS, ERP, USSD, Instant Account Opening.

Other IT Projects and Programmes

As part of the Access Bank's growth objective to be the World's Most Respected African Bank, we have implemented a reporting system and disaster recovery site in order to have resilience on server and network level. On the network level, we have in place branch and user's segmentation, Production server, Test server segmentation and implementation of single access bank domain. Our developers are adequately trained on secure coding to ensure our applications are properly secured. Furthermore, we have implemented 2-Factor Authentications to secure our customers transactions.

Our Agency Banking System was launched to reach the unbanked. This system will enable the bank to provide banking services using our agents to enhance remote access. Of note is the recent integration with Tap & Go Transport system to enable efficient top up of bus cards. We are continuously improving by adding features on all our products to enhance user experience.

Data Engineering and Analytics

The pandemic accelerated the easy adoption of digital channels adoption by majority of the Bank's customers. This has improved data analysis and reporting which has been utilized in identification of opportunities and setting a strategic direction.

Governance, Standards and Business Continuity

The Bank took measures to ensure strict adherence to global standards and best practices in carrying out our operations. One notable achievement is the implementation and certification of the ISO 20000 IT Service Management System Standard to provide our customers with efficient and optimal levels of service in accordance with the international standard.

In line with business continuity standards, we carried out a disaster recovery test on our core banking application to ensure that the Bank can function optimally in the event of a disaster. We also carried out business continuity tests on our power infrastructure and network links affirming the Bank's readiness and functional capability to provide optimal and satisfactory service to customers in the event of disaster.

DIGITAL BANKING

Our strategy of being a digitally led Bank was tested by the Covid-19 pandemic. The pandemic which was a health crisis that metamorphosed into an economic crisis presented a challenge for financial services providers across the globe and Access Bank Rwanda Plc was not left out, being that financial service providers were expected to keep providing services to customers with minimal or no disruption in the wake of the pandemic. Access Bank Rwanda Plc leveraged the pandemic to accelerate the execution of its digital strategy and deliver an optimized and uninterrupted services to customers during the period. The Bank delivered unparalleled and uninterrupted digital banking services through its various channels which witnessed by the spike in the volume of digital transactions and also experienced an unprecedented increase in sign up of customers.
In the year under review, we continued with our focused digitalization efforts, innovating on several products and initiatives as highlighted herein:

Agency Banking

Access Bank Rwanda Plc has introduced a novel product of agency banking dubbed 'Ikaze Agency Banking' with an aim to improve proximity to customers and increase presence across the country. Access Bank's Ikaze agents are in position to offer a range of services including; cash deposit services, cash withdrawal services, account opening, and local interbank transfers.

Agents will also issue clients with our novel digital enabled cards compatible with Point of Sale Machines and android devices enabling digital payments. The main focus is based on financial inclusion and the need to drive digital platforms enabling our customers to access financial services closer to the customers.

The platform provides innovation and faster go-to-market approach which help Access Bank (Rwanda) Plc stay in toe with competition. The Bank is ensuring at the enrichment of the agency banking platform by the deployment of the phase II which shall enable the provision of a complete set of banking services to the market including but not limited to bills payments, taxes collections, schoolfees collection etc. This is in line with the Bank aim to lead the market with innovative solutions and provide convenience to its customers.

RIPPS Upgrade and Cheque truncation

Sequel to the upgrade of the RIPPS, The Bank upgraded the clearing system as well as the cheque truncation. The deployed solution is a customized application-ACH and RTGS system geared towards making payment systems more efficient and reliable. The upgrade allowed the Bank to integrate with ACH-RTGS BNR clearing system RIPPS for truncation and fund transfer purpose (single and bulk payment).

Online account opening phase 1

With mobile devices becoming the preferred transaction channel and mobile banking apps becoming more and more versatile, seamless cross-channel account origination has become a critical differentiator for Banks. Customers do not want to go through the hassles of traveling to Bank branches, nor do they want their mobility to be compromised for routine administrative tasks such as quick account opening.

Online account opening capability across banking channels enables a customer to open an online account in an instant. And instant account opening is not restricted to individual account holders, business users can also open accounts in an instant.

The platform allows users to start the account opening from one channel, say on phone or personal laptop, complete the mandatory fields and the whole entire process on their mobile device, including the necessary verifications and other formalities and the account is finally originated by the Bank's back office user who uploads the customer provided data on flexcube.

The account opening solution increased the Bank's customer base to more than 2,000 customers which affected the number of transactions which drive the Bank's profitability. This helped the Bank to attract different customer types and it also position our Bank to a Retail customer's bank of choice. The online account opening under development with the In-house USSD shall facilitate the Bank to extensively engage the retail market by allowing the account opening without the need for a smartphone or internet data.

Enterprise Resource Planning (ERP) solution

For any institution, business transformation plays an important role in its activity, particularly when one considers the ever-changing business environment it operates in dynamic customer lifestyle, regulatory changes and competitor responses. One of the Bank's change program is the initiation of the enterprise process automation program which is hinged on the digitization of the bank's back office processes and functions. This brought about the Microsoft dynamics 365 ERP implementation project. The implementation of ERP solution to support the procure to pay, human capital management, as well as facility and fleet management processes within the organization.

The ERP application has optimized the following back office processes and better positioned them to support the Bank's new (2018-2022) 5 year strategic objectives:
Procure to pay process;

- Human Capital Management process (employee performance, manpower planning, leave, payroll, employee self-service, employee records and per diem management)
- Travel management process;
- Finance processes

Grand Prix Campaign

This is an initiative commenced at the heat of the Pandemic, (1st April 2020), hence the name adoption. As a result of the lockdown restrictions imposed by the Government, the Bank started the initiative to drive and keep track of customer onboarding and activations across our digital channels platform

It is an initiative where the Bank adapt a different strategy to ensure the Bank's existing customer base is fully active and registered on the available e-channels platforms. The campaign has improved channel penetration and driving customers to digital adoption and customer subscription on digital channels that has been increased to 58,063 Customers.

BUSINESS 2

OUR PEOPLE, CULTURE AND DIVERSITY

OUR PEOPLE

These difficult times buttress the fact that our people remain our most important asset

PEOPLE, CULTURE & DIVERSITY 2021

Category	Number
Graduate Hire	29
Experienced Hire	19
Promotions	18
Average training hours per employee	20
Number of lives impacted from CSR activities done by our employees	27 orphans 314 health insurance 40 Babies

GENDER DIVERSITY

Caption	Female	Male	Total
Outsourced category	69	55	124
Officer- Mid Management:	31	58	89
Top Management	5	2	7
Board	2	2	4
Total workforce:	**107**	**117**	**224**

During Covid-19 - We care

Our people management strategy in 2021 was focused on employee engagement, health and safety during Covid-19. Different measures were put in place such as:

- Provision of face masks and sanitizers;
- Covid-19 awareness talks and communication;
- 50%-75% staff working from home on rotational basis;
- Strict restriction of movement within the offices.

Staff Engagement- We Care

The Bank demonstrated appreciation and care to staff in different ways such as:

- Bereavement token to employees at the loss of immediate family member;
- Gifts to employees upon child birth;
- Wedding gift token to staff;
- Periodic pulse surveys to measure employees' sentiments and introduce initiatives for noted areas of dissatisfaction.

Building Capacity- L&D

- The Bank initiated trainings that enhanced our people's digital, analytic, functional and leadership capabilities. We achieved 478 training hours despite the new normal way of working and e-learning due to Covid-19.

Staff Leadership Development

- All professional staff participated in our corporate philosophy and vision sharing workshops conducted by IBM through the Group Office which was cascaded across the Bank to ensure unity of purpose and reaffirmation of our resilience in dealing with emerging challenges in the operating environment.

SUSTAINABILITY REPORT

Access Bank (Rwanda) Plc is committed to providing prompt and transparent disclosure in order to earn the long-term trust of its stakeholders and achieve sustainable growth that benefits society. We advance our sustainability activities by establishing lasting relationships with our stakeholders through appropriate disclosure, reporting, and dialogue. This report covers the sustainability activities of Access Bank (Rwanda) Plc in the year 2021.

The Bank is a diversified financial institution which combines a strong retail customer franchise and digital platform with deep corporate banking expertise and proven risk and capital management capabilities. The Bank serves its various markets through its business segments: Access Bank (Rwanda) Plc. is a subsidiary of Access Bank Plc, one of Africa's largest retail banks by retail customer base.

As part of its continued growth strategy, Access Bank (Rwanda) Plc is focused on mainstreaming sustainable business practices into its operations. The Bank strives to deliver sustainable economic growth that is profitable, environmentally responsible and socially relevant in helping customers to access more and achieve their dreams.

Sustainability Strategy

The Bank integrates sustainability into its core businesses by incorporating Economic & Social Governance considerations into risk management processes, product design, purpose statements and long-term strategies. Sustainability has been part of our core values for more than 12 years, as we strive to act responsibly for all our stakeholders. It helps us to predict and mitigate risks in our operations and business performance.

Also Access Bank (Rwanda) Plc, its parent company aligned its sustainability strategy with its corporate objectives by reviewing its corporate philosophy in line with its sustainability agenda. The Bank's sustainability vision, "To be the Most Sustainable and Respected Bank in Africa, financing and facilitating brighter futures for all our stakeholders through innovative services and best in class operations" directly builds on the corporate vision, "to be the World's Most Respected African Bank", embedding the concept of sustainability and shared value at the core.

This vision is hinged on the Bank's strategy, and aims to finance a sustainable future for all, harnessing global and local partnerships to develop and execute strategic interventions to address sustainability challenges in line with international best practices. It emphasizes on fostering growth and creating wealth sustainably, promoting human dignity, environmental conservation and generally improving quality of lives.

Sustainability is integrated into Access Bank (Rwanda) Plc's planning and management process, supporting the achievement of its vision and mission, because sustainability influences all key components of 'respect'.

Based on Accenture's corporate trust research and Fortune's 'Most Respected Companies' methodology, 'respect model' was developed for Access Bank, which demonstrates the importance of sustainability across all defined elements.

Underpinning the sustainability vision and strategy, are international principles and standards that support the design of best-in-class local policies that enable effective mainstreaming of sustainability in the Bank for strategic growth and long-term success.

The Bank's policies and frameworks continue to facilitate the achievement of its vision, enabling the Bank, its people and processes to address key issues such as supply chain management, human rights, environmental management, ethics, compliance and corruption, data security and privacy, diversity and equality, amongst others. The strict adherence to these policies, is one way to ensure that the Bank remains a responsible corporate citizen.

Inherent in the Bank's 5-year strategy (2018 - 2022), is the sustainability transformation agenda, which rests on key levers to achieve an enlarged, efficient and digitally led tier one financial institution. This is evident in the automation of the Bank's processes; deliberate strategy for increased agency banking to reach unbanked segments; zero down- sizing of employees; among others.

Overall, sustainability is identified as a lever to achieving the Bank's corporate vision and strategy. This drives the Bank to ensure clear-cut competitive advantage; drive financial inclusion, enhanced customer focus; break new barriers and most importantly, 'lead sustainably'. Sustainability is embedded in the Bank's DNA, incorporating environmental social and governance considerations into business decision making processes. This starts at the top with Board oversight and trickles down to every employee as sustainability is embedded in the KPI's of all staff.

Our Customers

Our success depends on our customers and suppliers choosing us. Our strength lies in working closely with them to create value and trust, together with superior products, service and ideas.

Our People

Our success comes from our people. We work in a safe and satisfying environment. We choose to treat each other with trust and respect and maintain a healthy balance between work and family life. Our experience, teamwork and ability to deliver inspired solutions are our most valued and rewarded strengths.

Our Shareholders

Our success is made possible by the shareholders and lenders who choose to invest in us. In return, we commit to continuing profitability and growth in value, which together make us all stronger.

Our Communities

Our success relies on communities supporting our business and products. In turn, we care for the environment, create wealth, respect local values and encourage involvement. Our strength is in choosing to do what is right.

STAKEHOLDER ENGAGEMENTS

Access Bank (Rwanda) Plc is part of a greater socio-economic ecosystem and we recognize that we depend on robust relationships with all other stakeholders in order to deliver on our purpose of using our financial expertise to do good for individuals, families, businesses and society.

Engagement is an integral part of developing an understanding of our stakeholders' needs, interests and expectations and assists the bank with strategic, sustainable decision-making. Our stakeholders are employees, customers, suppliers, regulators, communities and other entities that can affect or be affected by our activities and operations.

Collaboration and regular interaction with all stakeholder groups are essential to the Bank's long-term resilience and to the effectiveness of our integrated sustainability approach. Stakeholder engagement is undertaken with a far broader aim than merely communicating 'to' various stakeholder groups. Rather, Access Bank (Rwanda) Plc considers its various stakeholders as key partners in its endeavors.

The policy and strategy are communicated to our employees through daily feedback and employee surveys, recognition and awards. Through customer surveys, we understood and responded to the needs and primary interest of our customers.

Communication of our policies and strategies is made to our customers through daily interactions at our branch offices, on our website, through customer surveys, events, meetings and business forums, periodic publications and social media.

To our regulators, suppliers and communities, we communicate these policies and strategies through the public announcement of quarterly results, e-mails and letters, visits to suppliers' business sites, community outreaches, our employee volunteering initiatives, partnerships with community facing Non-Governmental Organizations (NGOs), charitable donations and sponsorships.

STAKEHOLDER INCLUSIVENESS

Access Bank (Rwanda) Plc believes that the long-term profitability of our business and corporate existence is interdependent on the shared value we continue to create, for our customers, employees, the local communities where we operate and other stakeholders. Ultimately, we subscribe to the principle of optimizing revenue for the business through innovative strategies while simultaneously addressing societal needs. We continuously engage our various stakeholders to gain insights on matters that are important to them as they relate to our business goals. We, together with our stakeholders, seek ways to achieve these goals in mutually beneficial ways.

ECONOMIC SUSTAINABILITY AND NATIONAL SUSTAINABLE DEVELOPMENT

At Access Bank (Rwanda) Plc, we believe in helping businesses grow, by eliminating the barriers to financial inclusion through our wide range of financial products which are best suited to the peculiar needs of individuals, businesses, institutions and governments, thereby achieving our goal to facilitate and finance sustainable economic growth. We are at the vanguard of sustainability regulation and thought leadership, leading the way in sustainable finance by delivering value-adding products and services which contribute to the economic and social progress of the communities where we are present, whilst considering our environmental impact on all stakeholders.

At the heart of our strategy is the strong belief that we can finance the future of our numerous stakeholders – customers, employees and suppliers. The markets in which we operate are among the most challenging in the world, with multiple developmental issues. Whilst these challenges create opportunities, we are devoting our resources to achieving results and making impact through the power of finance. As a result, we promote access to banking along with social inclusion, while contributing to the development of the communities where we are present and preserving the environment.

We demonstrate our continued dedication to financial sustainability, responsible and inclusive finance, and sustainable development through our strategic partnerships and collaboration with formidable institutions. Addressing responsible business needs of the communities in which we operate and providing genuine solutions that help improve such communities are of utmost importance to us

SOCIAL SUSTAINABILITY

At Access Bank (Rwanda) Plc, our goal is to facilitate and finance sustainable economic growth – leading the way on sustainable finance, financial inclusion, helping to develop enterprises and being at the forefront of sustainability regulation and thought leadership. This has empowered us to make strategic social investments.

HUMAN RIGHTS

Access Bank (Rwanda) Plc fully demonstrates respect for human rights and all related charters on the subject. Our Bank's documented Human Rights policy guides our organization wide actions in a manner akin to the Universal Declaration of Human Rights. We demonstrate our respect for the rights of all people, through our gender-inclusive, equal opportunities and non-discriminatory workplace culture. At Access Bank (Rwanda) Plc, we respect the rights of all people, men, women, old, young, People Living with HIV/AIDS (PLWHA), disabled, amongst others.

In addition, we also promote human rights compliance through our lending decisions and supply chain relationships. Respectively, our procurement and credit risk teams, adopt due diligence processes which ensure that the Bank does not conduct business with prospective borrowers or vendors that have questionable human rights records.

We have continued to maintain a grievance mechanism on human rights, among other issues, through our whistleblowing line, through which our internal and external stakeholders can report any human rights abuses. Clearly, the availability of this line has strongly guarded and prevented members of the Bank's staff from indulging in human rights abuses.

WOMEN EMPOWERMENT AND GENDER INCLUSIVENESS

Access Bank (Rwanda) Plc recognizes the importance of maintaining and increasing the diversity of our workforce. Our people and culture are crucial to the success of our business and it is our ambition to be the most accessible, inclusive and sought-after employer. We want Access Bank (Rwanda) Plc to be a workplace where everyone is valued as an individual.

COMMUNITY INVESTMENT

Over the years Access Bank (Rwanda) Plc has made deliberate efforts to support the growth, development and prosperity of the community and society within which we operate. We recognize the importance of impact investment and the role it plays in mitigating social and environmental risks, expanding our market share and building goodwill; hence we support various initiatives, projects, organizations and events that are focused on impacting the communities that we live and operate in positively. These investment initiatives are centred on our commitment to empower local communities and strengthen existing relationships with our partner organizations

These projects have been in our CSR priority areas which are; Health, Education, Environment, Women Empowerment and Social Welfare. Some of our CSR activities in 2021 are as follows:

Blood Donation Awareness campaign

Access Bank (Rwanda) Plc in partnership Rwanda Biomedical Centre (RBC) organized a 3- day blood donation campaign.

The theme was **" A mother saved is a nation saved"**

Description	
Goal	• The campaign aimed at mobilizing the general population of Rwanda to begin donating blood regularly.
Outcome	• 147 blood units were collected within 3 days.

Women Connect Campaign

In celebration of the International Women's Day 2021, Access Bank (Rwanda) Plc in partnership with ITC She Trades Rwanda and AFAWA Technical Assistance organized series of activities including the award of 3 women-owned business with the total sum of RWF 6,000,000 and trainings through Webinars.

Description	
Goal	• The campaign aimed at celebrating women in business by awarding the best projects with a working capital.
Outcome	• 114 attended the webinars • 3 women-owned businesses were awarded

EMPLOYEE VOLUNTEERING

Our employees, through the Employee Volunteering Scheme, contribute ideas, skills and resources to impact communities by tackling local social issue. The notable initiative from the Employee Volunteering Scheme in 2021 are:

Inshuti z'abakene Visit

The Operations & IT Group visited "Inshuti z'abakene" a home of sick orphans and vulnerable children being raised by Catholic Sisters.

Description	
Goal	To support the cause, the team raised funds and provided 11 goats and 1 cow to support the wellbeing of the children with milk.
Outcome	Over 27 children were reached through the initiative.

Pediatric hospital visit

Staff of SBUs group visited a pediatric hospital in Kanombe and provided 40 babies in neonatal unit.

Description	
Goal	To support the cause, the team raised funds and provided daily essentials (Pampers, Food, Milk) and paid their outstanding bills
Outcome	Over 40 babies were reached through the initiative.

2 BUSINESS

Mutuelle de sante donation

Staff of ERG raised funds and paid medical insurance for vulnerable members of Gasabo district

Description	
Goal	To support and help vunerable families to have medical insurance.
Outcome	Over 314 people were reached through the initiative.

RISK MANAGEMENT

Rwanda has achieved a strong economic recovery in 2021. Gross domestic product (GDP) increased by 11.1% in the course of the year, reflecting a broad-based recovery from the 2020 recession. Industrial production expanded by 16.5% and agricultural output rose to 6.8% in the same year, while traditional exports (coffee, tea, cassiterite, wolfram, and coltan) increased by about 35% in the 2021.

However, the level of unemployment continued to deteriorate despite the recovery, as the growth acceleration partly reflected a shift in employment to higher-productivity activities (manufacturing and construction). While the GDP got close to the pre-pandemic level, the unemployment rate remained more than 13 percentage points above levels at the beginning of 2020, with female employment deteriorating.

A sustained growth in trade will be a key driver for Rwanda to achieve its goal of becoming an upper-middle-income country by 2035.

Rwanda has benefited from regional cooperation to reduce drastically its trade cost in recent years on both Central and Northern corridors, thus greatly facilitating its access to international markets. However, persistent security concerns among East Africa community members, leading to temporary border closures, create uncertainties that impede trade and Rwanda's potential as regional logistic hub.

Rwanda is Developing a regional trade policy to foster industrialization and harness regional and continental opportunities; implementing a new generation of trade facilitation and logistic reforms to further reduce trade costs; and developing an effective logistics hub to unlock regional opportunities.

ENTERPRISE-WIDE RISK MANAGEMENT

We remain committed to sustainable enterprise-wide risk management practices to drive institutional gowth.With our promise of being more than just a bank, our Enterprise-wide Risk Management (ERM) Policy is hinged on the establishment of a wide risk oversight, monitoring and reporting that fosters risk integration. This ensures that the Bank strives for sustainable financial success while strengthening its relationship with a diverse of stakeholders.

Helping our stakeholders achieve their ambitions lies at the heart of our processes. We apply a bespoke risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensur- ing they are achieved the right way.

Risk strategies and policies are set by the Board of Directors of Access Bank Rwanda Plc. These policies, which define acceptable levels of risk for day-to-day operations as well as the willingness of Access Bank Rwanda Plc to assume risk, weighed against the expected rewards, are detailed in the Enterprise Wide Risk Management (ERM) Policy. The ERM is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost effective manner. Specific policies are also in place for managing risks in the different core risk areas of credit, compliance, market, operational, liquidity, strategic, reputational risks, Information and Cy-ber Security amongst other

The Bank's overall risk tolerance is established in the context of our earning power, capital and diversified business model. The organisational structure and business strategy, on the other hand, are aligned with our risk management philosophy.

The Bank uses regular review of risk exposure limits, risk control and self assessment to position itself against adverse scenarios. This is an invaluable tool with which the Bank predicted and successfully managed both the local and global recessions which continued to impact the macroeconomy. Market volatilities and economic uncertainties are typically contained because the regularly subjects its exposures to a range of stress tests across a wide variety of products, currencies, portfolios and customer segments.

The Risk Management Division headed by the Chief Risk Officer is part of the second line of defence. It supports the Bank's risk policy by constantly monitoring risk, identifying and quantifying significant risk exposures and acting upon such exposures as necessary. Access Bank Rwanda Plc approaches risk, capital and value management robustly and we believe that our initiatives and practices to date have positioned the Bank ank ank at the leading edge of risk management.

RISK MANAGEMENT PHILOSOPHY, CULTURE, APPETITE AND OBJECTIVES

Our Risk Culture Statement:

At Access Bank Rwanda Plc, we embrace a moderate risk appetite, whilst delivering strategic objectives. We anticipate the risks in our activities and reward behaviour that aligns with our core values, controls and regulations. Challenges are discussed in an open environment of partnership and shared responsibility.

Access Bank Rwanda Plc's risk management philosophy and culture remain fundamental to the delivery of our strategic objectives and are at the core of the Bank's operating structure. We seek to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

The Bank's risk management process has continued to achieve desired results as evidenced by improved risk ratios and independent risk ratings. In line with the bank's core value of excellence, its risk management is continuously evolving and improving, given the context that all market developments, those of extreme nature, need to be anticipated always. Hence, the moderate risk appetite as our guide. Executive Management has remained closely involved with important risk management initiatives, which have focused particularly on preserving appropriate levels of asset quality, liquidity and capital as well as managing the risk portfolios.

Risk management is fundamental to the Bank's decision-making and management process. It is embedded in the role of all employees via the organisational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Access Bank Rwanda Plc considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterise how it considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Bank's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

The Bank believes that enterprise risk management provides superior capabilities to identify and assess the full spectrum of risks and enables staff at all levels to better understand and manage risks.

This ensures that:

- Risk acceptance is done in a responsible manner;
- The Executives and the Board of the Bank have ade- quate risk management support;
- Uncertain outcomes are better anticipated;
- Accountability is strengthened; and
- Stewardship is enhanced.

The Bank identifies the following attributes as guiding principles for its risk culture.

a) Management and staff:

- Consider all forms of risk in decision-making;
- Create and evaluate business unit and Bank-wide risk profiles to consider what is best for their individual business units/department and what is best for the Bank as a whole;
- Adopt a portfolio view of risk in addition to understanding individual risk elements;
- Retain ownership and accountability for risk and risk management at the business unit or other points of influence level;
- Accept that enterprise-wide risk management is mandatory and not optional;

- Document and report all significant risks and enterprise-wide risk management deficiencies;
- Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions;
- Empower risk officers to perform their duties professionally and independently without undue interference;
- Ensure a clearly defined risk management governance structure;
- Strive to maintain a conservative balance between risk and profit considerations; and
- Continue to demonstrate appropriate standards of behaviour in the development of strategy and pursuit of objectives.

b) Risk officers partner with other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.

c) The Bank partners with its customers to improve their attitude to risk management and encourages them to build corporate governance culture into their business management

d) Risk management is governed by well-defined policies, which are clearly communicated across the Bank.

e) Equal attention is paid to both quantifiable and non-quantifiable risks.

f) The Bank avoids products and businesses it does not understand.

RISK OVERSIGHT APPROACH

Managing risk is a fundamental part of banking. Access Bank Rwanda Plc manages risk as part of a long term strategy of resilience. Risk management is embedded in all levels of Access Bank Rwanda Plc's organisation and is part of the daily business activities and strategic planning to have a sustainable competitive advantage.

To achieve its risk management objectives, the Bank relies on a risk management framework that comprises risk policies and procedures formulated for the assessment, measurement, monitoring and reporting of risks including limits set to manage the exposure to quantifiable risks. The Bank recognises that effective risk management is based on a sound risk culture, which is characterised, amongst others, by a high level of awareness concerning risk and risk management in the organisation.

Our risk governance framework, of which risk appetite framework is a significant element, ensures the appropriate oversight of and accountability for the effective management of risk. Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

We actively promote a strong risk culture where employees are encouraged to take accountability for identifying and escalating risks. Expectations on risk culture are regularly communicated by senior management, reinforced through policies and training, and considered in the performance assessment and compensation processes tests the adequacy of internal control and makes appropriate recommenda- tions where necessary.

STRATEGY AND BUSINESS PLANNING

Our risk management function is aligned with our strategy of building a sustainable gateway to the world. Consistent with the objective of delivering long-term sustainable value for our stakeholders, we continue to pursue a prudent risk policy, bringing balance and focus to our activities.

Underpinning that ambition is the delivery of excellent customer service through our business segments. Our business model and strategy are built on capturing the opportunities inherent in our business by developing deep relationships with clients in the markets and communities we serve. Each business function proactively identifies and assesses its risks and takes ownership of the controls put in place to manage those risks.

The Bank has multiple initiatives underway to improve infrastructure for risk management, data quality, stress testing and reporting. We continue to focus on early identification of emerging risks so that we can manage any areas of weakness on a proactive basis.

RISK APPETITE

Taking all relevant risks and stakeholders into consideration, Access Bank Rwanda Plc's risk appetite, which is owned by the Board of Directors, expresses the aggregate level of risk that we are willing to assume in the context of achieving our strategic objectives.

Risk appetite is derived using both quantitative and qualitative criteria. Risk appetite in relation to the major risks to which the Bank is exposed is regulated by limits and thresholds. These metrics aid in reaching our financial targets and guiding the Bank's profitability profile.

In accordance with the Bank's risk appetite, we are strongly committed to maintaining a moderate risk profile, which has been defined and cascaded in a measurable manner.

RISK MANAGEMENT OBJECTIVES

The broad risk management objectives of the Bank are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimal disrup- tion and cost;
- To protect against unforeseen losses and ensure sta- bility of earnings;
- To maximize earnings potential and opportunities;
- To maximize share price and stakeholder protection;
- To enhance credit ratings, as well as depositor, analyst, investor and regulator perception;
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective action

SCOPE OF RISKS

Within its risk management, Access Bank Rwanda Plc identifies the following key risk categories among others;

- Credit risk
- Operational risk
- Market and liquidity risk
- Capital Risk
- Legal and compliance risk
- Information and Cyber Security risk
- Environmental and Social risk
- Reputational risk
- Strategic risk

THE BOARD AND MANAGEMENT COMMITTEES

The Board has ultimate responsibility for the Bank's risk organisation and for ensuring satisfactory internal control. It carries out its oversight function through its standing committees. Each has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board.

CREDIT RISK MANAGEMENT

In Access Bank Rwanda Plc everyone is involved in risk management with the ultimate responsibility residing with the Board. We operate the 3 lines of defence model which enhances the understanding of risk management and control by clarifying roles and duties. The risk management process of the Bank is well fortified to mitigate the threats imposed by impact of Covid-19 or any other risk event on the Bank's business.

The management of the Bank took a proactive approach to protect its loan book from the impact of Covid 19 on the Bank's books by analyzing the extent of the pandemic on different sectors and sub sectors of the economy since the pandemic inception. This enabled us to understand our customer's challenges and potential outlook. We took steps to lessen the burden of loan repayment on our borrowers and preserve the risk assets quality of the Bank, working within regulatory guidance.

The Risk Management has continued to explore advantage of advancement and innovation in the technology space to automate the management of risk. Credit and analytics tools deployement is recently being worked on to enhance the credit decision making and monitoring process in the Bank.

PRINCIPAL CREDIT POLICIES

The following are some of the principal credit policies of the Bank:

Credit Risk Management Policy: The core objective is to enable maximisation of returns on a risk adjusted basis from banking book credit risk exposures that are brought under the ambit of Credit Risk Management Policy. This is done by putting in place robust credit risk management systems consisting of risk identification, risk measurement, setting of exposure and risk limits, risk monitoring and control as well as reporting of credit risk in the banking book.

Credit Risk Rating Policy: The objective of this policy is to ensure reliable and consistent Obligor Risk Ratings (ORRs) and to provide guidelines for risk rating for retail and non-retail exposures in the banking book covering credit and investment books of the Bank.

RESPONSIBILITIES OF BUSINESS UNITS AND INDEPENDENT CREDIT RISK MANAGEMENT

In Access Bank Rwanda Plc, business units and independent credit risk management have a joint responsibility for the overall accuracy of risk ratings assigned to obligors and facilities business relationship managers are responsible for deriving the Obligor Risk Rating ('ORR') using approved methodologies. However, independent credit risk management validates such ratings.

Notwithstanding who derives the risk rating, Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR assigned to borrowers.

This review includes ensuring the ongoing consistency of the business' Risk Rating Process with the Bank's Risk Rating Policy; ongoing appropriate application of the risk rating process and tools; review of judgmental and qualitative inputs into the risk rating process; ensuring the timeliness and thoroughness of risk rating reviews; and ensuring that the documentation of the risk rating process is complete and current.

Credit Risk Management has the final authority if there is a question about a specific rating.

CREDIT PROCESS

The Bank's credit process starts with portfolio planning and target market identification. Within identified target markets, credits are initiated by relationship managers. The proposed credits are subjected to review and approvals by applicable credit approval authorities. Further to appropriate approvals, loans are disbursed to beneficiaries.

Ongoing management of loans is undertaken by both relationship management teams and our Credit Risk Management. If a preliminary analysis of a loan request by the account manager indicates that it merits further scrutiny, it is then analysed in greater detail by the account manager, with further detailed review by Credit Risk Management. The concurrence of Credit Risk Management must be obtained for any credit extension. If the loan application passes the detailed analysis, it is submitted to the appropriate approval authority based on the size and risk rating of facilities.

The standard credit evaluation process is based both on quantitative figures from the Financial Statements and on an array of qualitative factors. Information on the borrower is collected as well as pertinent macroeconomic data, such as an outlook for the relevant sector. These factors are assessed by the analyst and all individuals involved in the credit approval process, relying not only on quantitative factors but also on extensive knowledge of the company in question and its management.

Risk Rating Scale and external rating equivalence

Access Bank Rwanda Plc operates a 12-grade numeric risk rating scale. The risk rating scale runs from 1 to 8. Rating 1 represents the best obligors and facilities, while rating 8 represents the worst obligors and facilities. The risk rating scale incorporates sub-grades and full grades reflective of realistic credit migration patterns.

The risk rating scale and the external rating equivalent is detailed below:

Access Bank risk Rating	External Rating Equivalent	Grade
1	AAA	Investment Grade
2+	AA	
2	A	
2-	BBB	
3+	BB+	Standard Grade
3	BB	
3-	BB-	
4	B	Non-Investment Grade
5	B-	
6	CCC	
7	C	
8	D	

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments about taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risks associated with business practices or market conduct in which the Bank is involved. Operational risk is inherent in Access Bank Rwanda Plc's global business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

This framework includes:

- Recognised ownership of the risk by the businesses;
- Oversight by independent risk management; and
- Independent review by Internal Audit.

We seek to minimise exposure to operational risk, subject to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. Our operational risk strategy seeks to minimise the impact that operational risk can have on shareholders' value. The Bank's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings;
- Minimise the impact of unexpected and catastrophic events and related costs through risk financing strate- gies that would support the Bank's long-term growth, cash flow management and balance sheet protection;
- Eliminate inefficiencies, improve productivity, optimise capital requirements and improve overall performance through the institution of well designed and imple- mented internal controls.
- In order to create and promote a culture that emphasizes effective operational management and adherence to operating controls, there are three distinct levels of operational risk governance structure in Access Bank Rwanda Rwanda Plc

Level 1 refers to the oversight function carried out by the Board of Directors, Board Risk Management Committee and the Executive Management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by the Operational Risk Management. It has direct responsibility for formulating and implementing the Bank's operational risk management framework including methodologies, policies and procedures approved by the Board.

Level 3 refers to the operational function carried out by all business units and support functions in the Bank. These units/functions are fully responsible and accountable for the management of operational risk in their units. They work in liaison with Operational Risk Management to define and review controls to mitigate identified risks. Internal Audit provides independent assessment and evaluation of the Bank's operational risk management framework.

This periodic confirmation of the existence and utilisation of controls in compliance with approved policies and procedures, provides assurance as to the ef- fectiveness of the Bank's operational risk management framework.

Some of the tools being used to assess, measure and monitor operational risks in the Bank include; a loss database of operational risk events; an effective risk and control self-assessment process that helps to analyse business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

MARKET RISK MANAGEMENT

The Bank's capital and earnings are exposed to risk due to adverse changes in market prices. As a result a robust market risk management is in place to reduce exposure to changes in interest rate, foreign exchange, equity prices and commodity prices.The objective is not to completely avoid these risks but to ensure exposure to these risks through our trading and banking book positions are kept within the Bank's defined risk appetite and tolerance.

MARKET RISK POLICY MANAGEMENT AND CONTROL

Over the years, the Rwanda financial market has witnessed a dramatic expansion in the array of financial services and products. This tremendous growth in scale and scope has also generated new risks with global consequences, especially market risk, necessitating an assessment of exposures to the volatility of the underlying risk drivers.

The Bank regularly conducts stress testing to monitor its vulnerability to unfavorable shocks.
This monitors and controls its risk, using various internal and regulatory risk limits for trading book and banking book which are set according to several criteria including economic scenario, business strategy, management experience, peer analysis and the Bank's risk appetite.

BANKING BOOK

Market risk management actively manages the banking book to optimise its income potential. This risk arises from the mismatch between the future yield on assets and their funding cost, due to interest rate changes. The Bank uses a variety of tools to track and manage this risk:

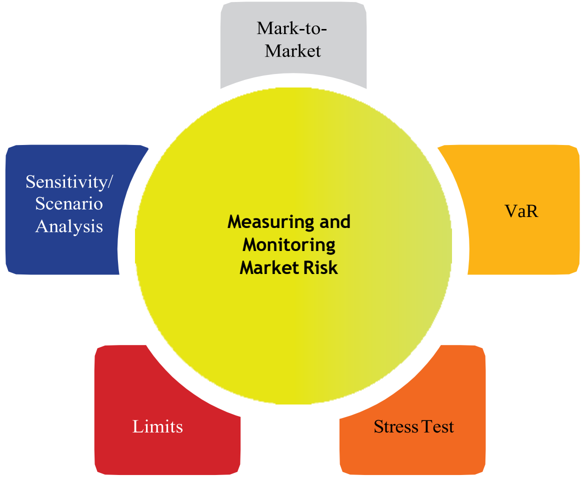
- Liquidity gap analysis
- Sensitivity Analysis

SENSITIVITY ANALYSIS

The Bank employs the use of scenario and sensitivity analysis in evaluating its exposures per time. Scenario analysis is the process of predicting the possible balance sheet impact to changes that may occur to existing variables whilst sensitivity analysis is the study of how the outcome of a decision changes due to variations in input.

TRADING PORTFOLIO

The measurement and control techniques used to measure, and control traded market risk (interest rate and foreign exchange risk) include daily valuation of positions, limit monitoring, gap analysis, sensitivity analysis, Value at Risk, stress testing, etc.



LIMITS

The Bank uses risk limits to restrict the size of investments that their traders can take for proprietary and non-proprietary purposes. Limiting the size of investments is one of the primary ways the Bank controls risk and capital consumption. The following limits currently exist;

Fixed income and FX Net Open Position Limits (NOPL): The Bank, in keeping with the prudence concept, sets its policy limit for Open Position at a level lower than the maximum NOPL approved by the regulatory authority. In setting the internal NOPL, the following considerations are imperative:

- The Regulatory NOPL;
- The Bank's tolerance and appetite for FX risk;
- The size and depth of the FX market in Rwanda;
- The degree of volatility of traded currencies; and
- The Bank's desired positioning in the relevant FX market with requirements for international business support.

Inter-bank placement and takings Limit: In line with the Bank's drive to be a top liquidity provider in the financial market, stringent controls have been set to ensure that any takings from interbank are preceded by proper authorization, to reduce the risks that come with huge interbank borrowing.

Management Action Trigger (MAT): This establishes decision points to confirm the Board of Directors' tolerance for accepting trading risk losses on a cumulative basis. MAT therefore, considers actual cumulative profit/loss as well as potential losses and the loss tolerance is defined as a percentage of Gross Earnings.

Stop Loss Limit: This limit sets a maximum tolerable unrealised profit/loss to date which will trigger the closing or reduction of a position to avoid any further loss based on existing exposures.

Dealer Limits: This limit sets a maximum transaction limit by a dealer. It is based on experience and knowledge of the dealer.

Value-at-Risk Limit: The VaR limit is based on 99% confidence level over a 1 day holding period on the trading book. In line with the Bank's risk appetite, treasury losses are not expected to exceed 1% of total portfolio.

Duration Limit

The Bank utilizes duration to measure the sensitivity of the price of assets in its portfolio to changes in interest rate. The Bank has duration limits for the varying asset classes in its investment/trading portfolio.

MARK TO MARKET (MTM)

The marking-to-market technique establishes the potential profit and loss by revaluing money market exposures to prevailing market prices. When no market prices are available for a specific contract period, mark-to-market model is used to derive the relevant market prices.

It is the Bank's policy to revalue all exposures categorised under the securities trading portfolio daily. As a general guide, marking to market is performed independently of the trading unit i.e. prices/rates are obtained from external sources.

STRESS TESTING

A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that the scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs. Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. Market Risk complements the VaR measurement by regular stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of the liquidity management framework and considers both historical market events and forward-looking scenarios. Stress testing provides an indication of the potential size of losses that could arise in extreme conditions. It helps to identify risk concentrations across business lines and assist senior management in capital planning decisions.

Liquidity Risk Management

Liquidity risk is the potential that the Bank may be unable to meet expected or unexpected current or future cash flows and collateral needs without affecting its daily operations or its financial condition.

The Bank is managed to preserve a high degree of liquidity so that it can meet the requirements of its customers always, including during periods of financial stress.

Access Bank Rwanda Plc has developed a liquidity management framework based on a statistical model underpinned by conservative assumptions about cash inflows and the liquidity of liabilities. In addition, liquidity stress tests assuming extreme withdrawal scenarios are performed. These stress tests specify additional liquidity requirements to be met by holdings of liquid assets.

The Bank's liquidity has consistently been materially above the minimum liquidity ratio and the requirements of its stress tests. The ALCO, in conjunction with the Board and its committees, monitors our liquidity position and reviews the impact of strategic decisions on our liquidity. Liquidity positions are measured by calculating the Bank's net liquidity gap and by comparing selected ratios with targets as specified in the Liquidity Risk Management Manual.

CONTINGENCY FUNDING PLAN

Access Bank Rwanda Plc has a contingency funding plan which incorporates early warning indicators to monitor market conditions. The Bank monitors its liquidity position and funding strategies on an ongoing basis, but recognises that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause either a short or long-term liquidity crisis. It reviews its contingency funding plan annually.

The contingency funding plan covers: the available sources of contingent funding to supplement cash flow shortages; the lead times to obtain such funding; the roles and responsibilities of those involved in the contingency plans; and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long-term funding crises are addressed in the contingency funding plan.

CAPITAL RISK MANAGEMENT

Capital risk is the risk of possible erosion of the Bank's capital base due to poor capital management.

Capital management objectives:

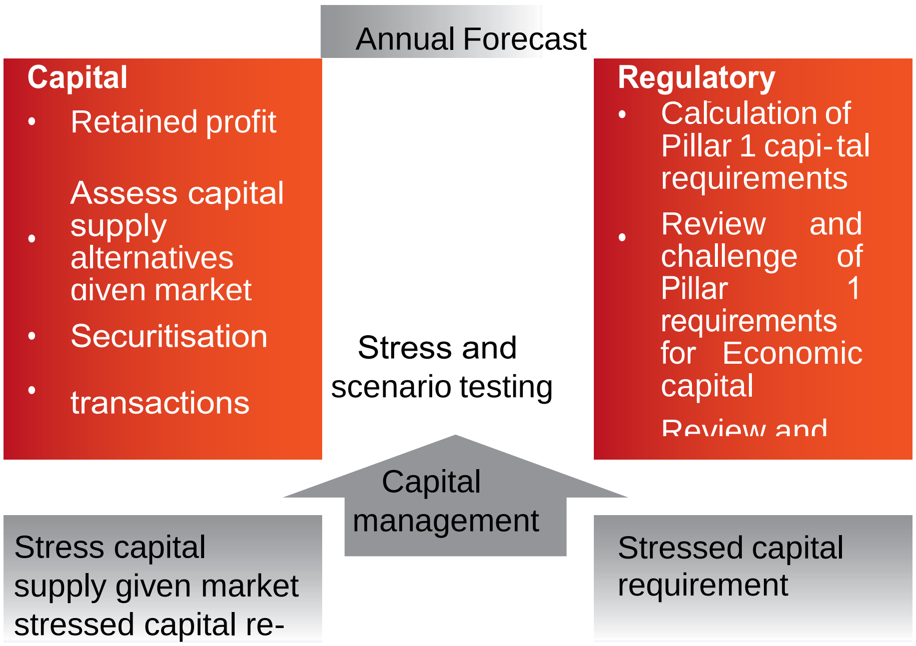
The Bank has several capital management objectives:

- To meet the capital ratios required by its regulators and the Board
- To maintain an adequate level of available capital resources as cover for the economic capital (EC) requirements.
- To generate enough capital to support asset growth.

CAPITAL MANAGEMENT STRATEGY:

The Bank's capital management strategy is focused on maximizing shareholder value by optimising the level and mix of capital resources. Decisions on the allocation of capital resources are based on several factors including return on economic capital (EC) and on regulatory capital (RC), and are part of the internal capital adequacy assessment process (ICAAP).

Capital Managment process



ENTERPRISE-WIDE SCENARIO AND STRESS TESTING

Access Bank Rwanda Plc uses robust and appropriate scenario stress testing to assess the potential impact on the capital adequacy and strategic plans. Our stress testing and scenario analysis programme are central to the monitoring of strategic and potential risks. It highlights the vulnerabilities of our business and capital plans to the adverse effect of extreme but plausible events.

As a part of our core risk management practices, the Bank conducts enterprise-wide stress tests on a periodic basis to better understand capital and liquidity sensitivities to certain economic scenarios, including economic conditions that are more severe than anticipated. We leveraged the Bank's ICAAP in the selection of our scenarios and improved on them to ensure that they refelect recent macro-economic developments. The outcome of the testing and analysis is also used to assess the potential impact of the relevant scenarios on the demand for regulatory capital compared with its supply.

These enterprise-wide stress tests provide an understanding of the potential impacts on our risk profile, capital and liquidity. It generates and considers pertinent and plausible scenarios that have the potential to adversely affect our business.

Stress testing and scenario analysis are used to assess the financial and management capability of Access Bank Rwanda Plc to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors.

Scenarios are carefully selected by a drawn from senior business development, risk and finance executives. Impacts on each line of business from each scenario are then analysed and determined, primarily leveraging the models and processes utilised in everyday management routines.

Impacts are assessed along with potential mitigating actions that may be taken in each scenario. Analyses from such stress scenarios are compiled and reviewed through our Asset and Liability Committee, and the Enterprise Risk Management Committee. These are then incorporated alongside other core business processes into decision making by management and the Board.

Our scenario and stress testing procedures were significantly enhanced during the recent pandemic and its macroeconomic fall- outs, and the management actions that arose from them were pivotal in enabling the Bank to mitigate and optimise risk outcomes and capital.

COMPLIANCE RISK MANAGEMENT

The Bank's compliance function organizes and sets priorities for the management of its compliance risk in a way that is consistent with risk management strategy and structures.

The integrated compliance function working closely with Internal Audit and Risk Management to achieve risk convergence provided backbone for integrated assurance and higher visibility of risk management and control consciousness across the Bank.

The compliance function has continued to redefine and fine-tune its approach and continued to improve on its advisory role with intense focus on regulatory intelligence gathering, compliance monitoring, compliance testing and closer cooperation with business units within the Bank.

On the other hand, acts as a contact point for compliance inquiries from staff members and recently introduced the Business Unit Compliance Officers to strengthen and deepen the cooperation with the first line of defence and the implantation of Quality Assurance within the Bank.

We enhanced the monitoring to online real time to catch up with the current digital banking environment. We receive alerts of transactions on a risk-based approach by focusing on the high-risk areas thereby spotting non-conformities on time and have also enhanced our Compliance management standard.

MEASUREMENT, MONITORING AND MANAGEMENT OF COMPLIANCE RISK

In Access Bank Rwanda Plc, compliance risk is continually:

- Measured by reference to identified metrics, incident assessments (whether affecting Access Bank Rwanda or the wider industry), regulatory feedback, Compliance Testing and the judgment of our external assessors as it relates to AML/CFT and other compliance vulnera- bilities;
- Monitored against our compliance risk assessments and metrics, the results of the continuous monitoring and reporting activities of the compliance function and the results of internal and external audits and regulatory inspections; and
- Managed by establishing and communicating appropriate policies and procedures, training employees on them, and monitoring activities to assure their observance.

The Bank continues to recognize its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business. The Conduct and Compliance function, including all staff of Access Bank Rwanda Rwanda Plc are committed to high standards of integrity and fair dealing in the conduct of business. The Bank's compliance risk management philosophy is deepened by the effective convergence of risk management through the 'Three Lines of Defence' model.

Effective Compliance Risk Management in Access Bank Rwanda Plc will continuously be coordinated in the following manner:

Where a business unit is subject to regulatory requirements, it will comply with those requirements. The business unit will further establish and maintain systems of internal control to monitor and report the extent of compliance with those requirements with the support of the Conduct and Compliance function.

In the absence of regulatory requirements for all or part of a business unit, certain minimum standards of conduct are established and maintained by that business unit to the extent required as determined by the management of that business unit and in line with global best compliance practice.

INFORMATION AND CYBERSECURITY RISK MANAGEMENT

In response to the increased cyber security threat to businesses globally, we have a Cyber Security Framework and adopted an in-depth layered approach to cover Cyber security practices, information security processes and infrastructure which includes: Cyber Security Governance, Operations, and Infrastructure across the enterprise.

The year 2020 and 2021 have been unusual in many ways due to the Covid-19 Pandemic. IT and Cybersecurity have not been spared and this has left many organizations scampering to safety. Access Bank Rwanda Plc, like other global institutions, embraced new practices such as social distancing and remote working. As expected, cyber criminals worldwide have capitalized on the health crisis and it is no surprise that the main targets are financial institutions and their customers.

We have a holistic view of all the major risks facing the Bank and we remain vigilant regarding both known and emerging global risks. We also ensure that we are strong enough to withstand any exogenous shocks by putting in place a 24/7 monitoring and external intelligence for the Bank's information and technology assets, through our Security Operations Center (SOC).

The continuous advancement and innovations in technology and the endless need to improve services have made digital banking a direction that the Bank must tap into with adequate mitigating approach to handle the inherent risks involved in the business. In response to the digitization needs, we have a Digital Banking Framework that enables the Bank to maintain an overall cyber risk appetite of "moderate risk" while adopting digitization processes in meeting the needs of our customers.

The continuous evolution of our Environmental Social and Governance (ESG) systems has ensured that we inces- santly push towards attaining a more sophisticated risk management structure.

Our parent Company Access Bank Plc issued the first climate certified corporate green bond in Sub Saharan Africa last year, which has also been listed as a non-traded instrument on the Luxembourg Stock Exchange in the first quarter of 2020 and this regarded as an evidence of our continuous push in the direction of sustainability by the group and its subsidiaries.

Access Bank Rwanda Plc has also benefited the increased international and domestic investment partnerships with Development Financial Institutions for ESG targeted lending attracted by its parent company. With the increasing awareness around financed fossil fuel emissions and impact of climate change potential within our portfolio, we have made strides towards understanding these potential exposures, their implications and any mitigating measures which can be incorporated by the Bank.

REPUTATIONAL RISK MANAGEMENT

Reputational risk arises when the Bank's reputation is damaged by one or more reputational events from negative publicity about the organisation's business practices, conduct or financial condition. The Bank's Reputational Risk Management is mandated to protect the Bank from potential threats to its reputation.

The team continuously uses proactive means in minimizing the effects of reputational events, thereby averting the likelihood of major reputational crises with the view of ultimately ensuring Access Bank Rwanda Plc takes the management of reputational risks seriously because of its far-reaching implications, which are buttressed by the fact that the Bank operates under:

- A highly regulated financial services industry with high visibility and vulnerability to regulatory actions that may adversely impact its reputation. (e.g. corporate governance crises);
- Keen competition and largely homogeneous products and services have led customers not to perceive significant differences between financial service providers; and
- Given the financing nature of products and services they provide, banks are not only exposed to their own reputation, but also to the reputation of their clients.

With banks operating and competing in a global environment, risks emerging from a host of different sources and locations are difficult to keep up with and to know how best to respond if they occur. The effects of the occurrence of a reputational risk event include but are not limited to the following:

- Loss of current or future customers;
- Loss of public confidence;
- Loss of employees leading to an increase in hiring costs, or staff downtime;
- Reduction in current or future business partners; Increased costs of capitalization via credit or equity markets;
- Regulatory sanctions;
- Increased costs due to government regulations, fines, or other penalties; and
- Loss of banking licence.

2
BUSINESS

The policy provides for the protection of the reputation and should at all times take priority over all other activities, including revenue generation. Reputational risk will arise from the failure to effectively mitigate any or a combination of country, credit, liquidity, market, regulatory and operational risk.

It may also arise from the failure to comply with social, environmental, governance and ethical standards. All employees are responsible for day-to-day identification and management of reputational risk.

COMPILATION OF TRIGGER EVENTS

To assist in the identification of key reputational risk events, triggers that would set off the risk drivers are compiled through workshops with participants from relevant business units. The following table illustrates some trigger events for relevant risk drivers.

Risk Drivers	Trigger Events
Corporate governance and leadership	• Corporate frauds and scandals; • Association with dishonest and disreputable characters as directors, management • Association with politically exposed persons • Incidence of shareholders conflict and Board Instability.
Regulatory Compliance	• Non - Compliance with laws and regulation; • Non-submission of Regulatory returns
Workplace talent and culture	• Unfair employment practices • Not addressing employee grievances • Uncompetitive remuneration
Delivering customer promise	• Security Failure • Shortfall in quality of service/fair treatment; • Bad behavior by employ ees
Risk Management and Control Environment	• Inadequate Risk Management and Control environment • Continuous violations of existing policies and procedures
Financial Soundness and Business viability	• Consistent poor financial performance • Substantial losses from unsuccessful Investment
Crisis Management	• Inadequate response to a crisis or even a minor incident

APPROACH TO MANAGING REPUTATION RISK EVENTS

The Bank's approach to managing reputation events, including any relevant strategy and policy, is approved by the Board or its delegated committee and subject to periodic review and update by senior management to ensure that it remains appropriate over time. In addition, the approach is well documented and communicated to all relevant personnel.

POST REPUTATION EVENT REVIEWS

After a reputation event, the post-event review is conducted by Internal Audit and Risk Management Division to identify any lessons learnt, or problems and weaknesses revealed, from the event.

Such reviews are useful for providing feedback and recommendations for enhancing the Bank's reputation risk management process and should at least be conducted on any major event affecting the Bank. The Board and senior management are informed of the results of any such review conducted in order to take appropriate actions to improve their capacity to manage reputational risk

3

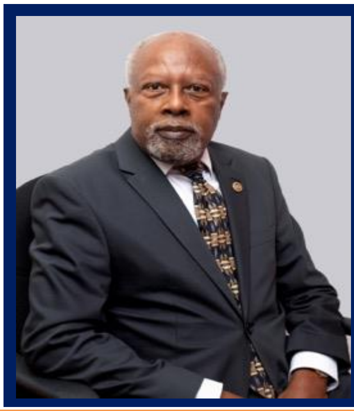
GOVERNANCE

THE BOARD

Mubarure Chantal

INDEPENDENT DIRECTOR

Chairperson Of the Board
Appointed 20/11/2012



Gerald Mpyisi

INDEPENDENT DIRECTOR
Chairperson –Board Risk

Dolapo Ogundimu

NON EXECUTIVE DIRECTOR
Chairperson –Board IT& Cyber Security

Appointed 30/10/2019

Philip Gasaatura

INDEPENDENT DIRECTOR
Chairperson –Board Governance and Remuneration

Appointed 30/10/2019

Faustin R. Byishimo

Managing Director

Appointed 01/05/2021

Alice Ntamitondero

INDEPENDENT DIRECTOR
Chairperson –Board Board Audit

Appointed 24/10/2016

Prossie Kalisa
Executive Director

Appointed 29/07/2020

MANAGEMENT COMMITTEE

Faustin R. Byishimo
Managing Director

Prossie Kalisa
Executive Director

Olanma John-Agbaje
Country Operations Officer

Deogratias Gasagure
Chief Financial Officer

Alice Umulisa
Head, Internal Audit

Jean Felix Dukuzimana
Head, Conduct and Compliance

CORPORATE INFORMATION

This is the list of Directors who served in the entity during the 2021 financial year.

Directors

Chantal Mubarure	Chairperson
Oludolapo Ogundimu	Non-Executive Director
Alice Ntamitondero	Independent Non-Executive Director
Gerald Mpyisi	Independent Non-Executive Director
Philip Kamau Gasaatura	Independent Non-Executive Director
Faustin Rukundo Byishimo	Managing Director/Chief Executive Officer
Prossie Kalisa	Executive Director

Company Secretary

Don King Agaba

Company Secretary and Head Legal Services
Access Bank (Rwanda) Plc

Avenue de la Paix

3rd Floor, KIC Building

Telephone: +25078830607

Email:
rwandacontactcenter@accessbankplc.com

Website: wanda.accessbankplc.com
Company Registration Number: 100053886

Independent Auditor

PricewaterhouseCoopers

Blue star house

6th floor, 35 KG 7 Ave,
Kacyiru

P.O Box: 1495

Kigali-Rwanda

Website:rwanda.accessbank
plc.com

Registration Number:
100053886

Advoctes

Me Rukangira
Emmanuel

P.O Box 7097

Kigali

Rwanda

Advocates

Fountain Advocates

Kigali

Rwanda

Advocates

Attorney’s House

Kigali

Rwanda

BOARD MEMBERS AND SENIOR MANAGEMENT PROFILES

Chantal Mubarure (Board Chairperson- Independent Director)

Chantal joined the Board of Access Bank in 2012. She is a Capacity Building Specialist as certified by the US based International Society for Performance improvement (ISPI). She has more than 15 years of experience in different senior positions and consultancy.

She is currently the Deputy Chief of Party and Senior Technical Advisor for the USAID funded Rwanda Human and Institutional Capacity Development Project, implemented by Development Alternatives (DAI Inc.) She is also a Board member of Bralirwa Ltd (Heineken Branch) and Vice Chairperson of the National Post Office's Board of Directors. Certified Performance Technologist,

Mrs. Mubarure Holds an international professional certificate in Human Performance Improvement, a Bachelor's Degree in Economics. She also attended a specialized training/ program masters in Audit and management control.

Alice Ntamitondero (Board Member- Independent Director)

Alice joined the Board of Access Bank in 2016. She is a professional accountant full member of a UK Association of Chartered Certified Accountant (ACCA), a global professional accounting body and of the Institute of Certified Public Accountants of Rwanda (ICPAR). She holds a Master's Degree in Business Administration from Heriot Watt University- Edinburgh Business School, a Bachelor's Degree in Business Administration Majoring Marketing from the College of Science and Technology at the University of Rwanda (former KIST)-Rwanda.

Alice has about over 11 years of experience in different public financial management (PFM) positions and consultancy. She previously worked as Secretary General of the Auditor General's Office and Corporate Services Division Manager of Rwanda Natural Resources Authority among others.

Alice is currently a Chief Executive Officer of Ultimate Developers Ltd (UDL). She is also a board member for other private and public institutions in Rwanda.

Gerald Mpyisi (Board Member-Independent Director)

Mr. Gerald Mpyisi is a computer programmer and software designer by profession. He is an accomplished businessman in the private sector with interest in the technology property and transportation sectors. He was once a Non-Executive Director of Fina Bank (GT Bank) Rwanda, board member of AAR health services limited Rwanda among others.

Mr. Gerald MPYISI has excellent public and private sectors experience developed as a result of several years working at senior level in the government and over 10 years as MD/CEO of several companies and as a Board member of public and private institutions. Mr. Gerald Mpyisi is the CEO and founder of Creative Solution Kigali Rwanda, Institutes of Management and Leadership Kigali –Rwanda, Innovative Business Solutions, Rwanda and Business Communication Solutions which has offices in Rwanda, Burundi and Democratic Republic of Congo.

Mr. Gerald MPYISI has served at the office of the Vice President and Ministry of Defense, Rwanda as the Director of IT and information services from June 1995 till 1998. He was the project Coordinator of Dot- Org and Rwanda Academy for Educational development, at Washington DC based international NGO from July 2002 till June 2005 which involved the use of information and communication technologies for elections and its access to the communities. This project was done in association with USAID, CIC operators, National Electoral Commission (NEC) among other sponsors.

Philip Gasaatura (Board Member-Independent Director)

Philip currently serves as a Strategy Consultant for the Government of Rwanda developing Rwanda's strategy to become a Technology and Innovation Pan-African Hub under the flagship project of Kigali Innovation City, Philip has also been instrumental in the design and formation of Rwanda's Venture Capital Fund designed to invest in seed and early stage growth companies.

Previously, Philip has been a Senior Finance and Technology specialist with over 15 years working experience in Investment Banking in the U.K, Philip led the implementation of several large scale technology and operational projects to optimize business performance and cost efficiencies. At Citi Bank, Philip managed the development team of a global equity trading platform. Prior to Citi Bank, Philip led a team at ABN Amro that managed the development of a trading credit trading platform focused on Asset Backed Securities with implementation of product pricing and risk modelling for various financial instruments.

As a serial entrepreneur and investor, with over 10 years' experience, Philip became a founding partner of New Food Company Holdings (NFC), a UK based private investment firm focused on identifying scalable opportunities within the FMCG sector in East Africa. With a passion for development of High Growth Enterprises, Philip regularly consults and advises management teams looking to scale.

Philip holds an MSc Computer Science from University of the Witwatersrand, South Africa and a BSc Computer Science and Mathematics from Makerere University, Uganda.

Dolapo Ogundimu (Board Member- Executive Director

Dolapo Ogundimu is a seasoned Banker with over three decades of high-level professional banking experience. After a 5 years stint in Investment and Merchant Banking, he joined Guaranty Trust Bank as a pioneering staff in 1990. He has been recognized as a Change Manager and contributor to the development of the financial services industry in Nigeria, Sierra Leone and Ghana.

Until his appointment in 2012 as Managing Director of Access Bank Ghana, Dolapo pioneered Guaranty Trust Bank to become one of the most successful banks in the Sierra Leonean and Ghanaian banking sectors respectively.

Dolapo held several management positions at GT Bank, Nigeria and key among them is supervision of the acquisition, restructuring and management of Magnum Trust Bank, in the mid 1990's. He was responsible for the acquisition of First Merchant Bank of Sierra Leone, which he successfully turned around as GT Bank, Sierra Leone with sterling performance. He was charged with the establishment of GT Bank in Ghana and he later successfully managed the integration of Intercontinental Bank with Access Bank Ghana in 2012.

His extensive experience cuts across core banking areas such as relationship management, branch development and coordination, credit analysis, marketing and strategic planning.

Dolapo is an alumnus of the Kellogg School of Management, Executive Management Program of the Columbia Business School (USA), Harvard Business School, International Institute for Management Development (IMD) Switzerland and the Lagos Business School. He also holds a B.Sc. and an MBA from the Ogun State University in Nigeria.

Faustin R. Byishimo (Country Managing Director)

Faustin Rukundo Byishimo is the Country Managing Director and Chief Executive Officer of Access Bank (Rwanda) Plc. He joined the Bank with more than 20 years of experience of which 18 years in Banking where he held several senior executive positions.

Before his appointment, and for 5 years, he served as an Executive Director for Business Development in a regional bank. He is multilingual with strong interpersonal skills and has developed expertise in operations, digital banking, products development, driving sales, managing relationships, and business development.

Faustin holds a Bachelor of Business Administration (BBA) in accounting, is currently pursuing an Executive MBA and has been exposed to several trainings in various fields

Prossie Kalisa (Member of Management team, ED Retail and Digital Banking)

Mrs. Kalisa has over fifteen (15) years' experience in the banking and telecommunications sector and was the immediate past Head Marketing and Corporate Affairs in Banque Populaire du Rwanda Plc (BPR Plc), the second largest Bank in Rwanda in terms of deposit liability.

Prior to that, she was the Head Marketing Communications in Development Bank of Rwanda, Director Sales and Marketing, Rwandatel, SA as well as Head Customer Service Quality of Ecobank Rwanda Plc. She started her banking career with Access Bank before resigning to join Ecobank Rwanda Plc.

Mrs. Kalisa holds an MBA in International Marketing from Oklahoma Christian University, USA and a BBA, Bachelors in Law from Kigali Adventist University, Rwanda. She is a member of the Rwanda Marketers Association (RMA) and had attended trainings organized by Kora Associates, Strathmore University, Euro-money and Leadership impact solutions. She is fluent in English and Kinyarwanda and has a working knowledge of Swahili and French.

Olanma JOHN-AGBAJE (Member of Management Team, Country Operating Officer)
Olanma JOHN-AGBAJE is Country Operating Officer of Access Bank Rwanda. Until her appointment was a Zonal Head supervising a large number of branches in Lagos.

She has over 18 years Banking experience and has worked in various units such as Public sector, Retail/ Commercial Banking Units and Branch Operations and recently was pivotal in the Branch Operations Integration during the recent Access/Diamond Merger. Olanma is a certified Quality Service Ambassador and a Life Coach.

She is a holder of a B.Sc. (Estate Management) from the University of Lagos, Nigeria and an MBA from the Business School Netherlands, she is also a Designate Compliance Professional and has attended various training programs including the Access Bank Middle Management Program at the Wharton Business School, USA

Deogratias Gasagure (Member of Management Team, Chief Financial Officer)

Deogratias Gasagure is a member of the institute of Certified Public Accountants of Rwanda (ICPAR) and holder of a Bachelor of Business Administration in Accounting from the School of Finance and Banking (SFB) currently the College of Business and Economics (CBE).

Mr Deogratias has over 8 years of working experience in the fields of accounting and auditing of Financial Services. Prior to joining Access Bank Rwanda Plc, Deogratias served for more than 7 years at PwC Rwanda Limited where he held different positions including managerial roles in the Rwanda and UK office.

In his 7 years of audit services at PwC Rwanda Limited, Mr Deogratias has been very instrumental in driving the business forward and working with partners to define and implement different business and audit strategies and engaging discussions with management of audit clients for a sustainable growth. Deogratias was also the strategic driver of the Financial Services.

Deogratias is a trained trainer in the field of accounting and auditing where he delivered different courses such as Banking and insurance for seniors, IFRS 9 and other IFRS updates to mention a few.

Alice Umulisa (Member of Management Team, Head, Internal Audit)

Alice Umulisa is the Head of Internal Audit in Access Bank Rwanda Plc. She has 26 years of banking experience and has worked in various functions including Branch Operations, Global Trade, Internal Audit and Finance. Prior to joining Access Bank in July 2003 she worked for Banque de Commerce, de development et d'industrie (B.C.D.I).

She holds a BBA in Finance from School of Finance and Banking. She has attended various training programs including the Access Bank Middle Management Program at the Wharton Business School, USA.

Alice is PECB Certified ISO 22301 Senior Lead Auditor and she is currently pursuing CPA

Jean Felix Dukuzimana (Member of Management Team, Head, Conduct and Compliance)

Jean Felix is the Head, Conduct and Compliance of Access Bank Rwanda. Jean Felix Dukuziman is a Certified Financial Crimes Specialist (CFCS), CAMS –Certified Global Sanction Specialist and Certified Risk and Compliance Management Professional.

Felix is Bachelor of Business Administration in Finance from the School of Finance and Banking (SFB) currently the College of Business and Economics (CBE).

Felix has over 7 years working experience in the Financial Services Industry covering Operations, Internal Control, Business Process Improvement, Risk and Compliance.

CORPORATE GOVERNANCE REPORT

The Board of Access Bank (Rwanda) Plc ('the Bank') is pleased to present the Corporate Governance Report for the 2021 financial year. The report provides insight into the operations of our governance framework and Board's key activities during the reporting year.

The Board recognizes that effective governance is imperative for sustainable performance and prosperity of the Bank. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders, which is critical to sustainable growth. The Board is focused on implementing corporate best practices across the enterprise in order to protect stakeholders' interests and enhance shareholders' value. The Bank's corporate governance framework is designed to align management's actions with the interest of shareholders while ensuring an appropriate balance with the interests of other stakeholders.

Role of the board

The system of governance within which the Bank's Board operates is set out in the Bank's corporate policy which is in compliance with Regulation N° 01/2018 of 24/01/2018 on Corporate Governance For Banks.

The responsibility of the Board of Directors is articulated in the Board Charter, in accordance with the Bank's Memorandum and Articles of Association. These define the role of the board, its processes and its relationship with executive management.

Board composition

As at 31st December 2021, the Board of Directors was composed of 7 Directors of which four (4) were Independent Non-Executive Directors (INED), One (1) Non- Executive Director, and Two (2) Executive Directors.

The role of Independent and Non-Executive Directors includes independent judgment and scrutiny to the proposals and actions of the Management especially on issues of strategy, performance evaluation and key appointments.

The Board is assisted by five (5) Board Subcommittees i.e. the Board Governance and Remuneration Committee (BGRC), Board Risk Management Committee (BRMC), the Board Credit Committee (BCC) and Board Audit Committee (BAC) Board IT and Cyber Security Committee (BIT). The BGRC, BRMC and BAC are chaired by INEDs while the BCC and BIT are chaired by a Non-Executive Director

Key roles and responsibilities of the Board

The Board is responsible for the overall direction of the Bank's business. The Directors' duties are detailed in the Corporate Governance Regulation for Banks in Rwanda and Access Bank (Rwanda) Plc Corporate policy.

According to the Corporate Governance Regulation for Banks in Rwanda, the Board of Directors are responsible for formulating policies, procedures and guidelines, which ensure that:

- All Directors, Managing Director (Chief Executive Officers) and Management are made fully aware of their duties, responsibilities and code of conduct;
- All Management decisions are made in accordance with prudent banking practices.

The shareholders of each institution shall be responsible for the appointment of a competent and dedicated Board of Directors.

The primary tasks of the board include:

- Active consideration and direction of long-term strategy, and approval of the annual plan.
- Monitoring and evaluation of Access Bank Rwanda Plc 's performance against the strategic plan.
- Obtaining assurance that the material risks to Access Bank Rwanda Plc are identified and that systems of risk management and control are in place to mitigate such risk.
- Board and executive management succession.
- Specific tasks are delegated to the board committees. The Board seeks to set the 'tone from the top' for Access Bank Rwanda Plc by working with Management to agree the values of the company and considering specific issues.

The responsibility of the Chairperson of the Board includes:

- Overall leadership and direction for the Board and the Bank.
- Defining the annual Board plan in conjunction with the Management, Directors and Company Secretary.
- Approving the agenda for board meetings (in conjunction with the secretariat) on prospective agenda items; compilation and final ratification of Board Committee reports.
- Ensuring that the board and its committees are composed of the relevant skills, competencies and desired experiences.
- Ensuring the Board meetings are properly conducted and the Board is effective and functions in a cohesive manner.
- Main link between the MD/CEO and the Board.
- Oversight role in ensuring that all Directors focus on their key responsibilities and play a constructive role in the bank.
- Provide line of effective communication between the Bank and its shareholders. The Chairperson has to be present at every Annual General Assembly of the Bank

Board Committee role and responsibilities

The Board has established the following Committees in line with BNR requirements and the Committees are functional:

- Board Audit Committee
- Board Risk Management Committee
- Board Credit Committee
- Board Governance and Remuneration Committee.
- Board IT and Cyber Security Committee.

Independence and conflict of Interest

I confirm that there is no compromise to the independence of Directors, and nothing to give rise to conflict of interest for those who serve as Directors on the boards of external entities or who have other appointments in other entities.

Board Activities

The Board's activities are structured to enable the directors to fulfil their role, in particular with respect to strategy, monitoring, assurance and succession.

Board effectiveness

On joining Access Bank Rwanda Plc, Independent Directors are given a tailored induction program. This includes one-to-one meetings with management, the external auditors and site visits to operations. Assisted by the Company secretary, the induction program also covers corporate governance issues as well as the duties of Directors and the Board Committees that the director will join.

In addition, the Board has a tailored training program that is gradually implemented. The training covers diverse aspects in the industry to ensure that Directors are regularly updated on their responsibilities in respect to monitoring Management's strategy in managing risks.

Board minutes

The Board has conducted 5 Ordinary Board Meetings including one Extraordinary Board Meeting during the year 2021. The Board Meetings were held on the following dates:

N	Date of Board Meeting (2021)	Signed BoD Minutes
1	March 18,2021	Available
2	June 17, 2021	Available
3	August 25,2021	Available
4	November 18, 2021	Available
5	November 20, 2021	Available

Board Minutes of the above Board Meetings are kept by the Company Secretariat.

Board committees report

The Board, through its 5 committees, conducts four regulatory meetings a year per committee.

During the year 2021, the Board Committees Meeting were held on the following dates:

	DATE	DATE	DATE	DATE
Board Audit Committee	March 17, 2021	June 16, 2021	August 24, 2021	November 17, 2021
Board Credit Committee	March 17, 2021	June 16, 2021	August 25, 2021	November 18, 2021
Board Risk Management Committee	March 17, 2021	June 16, 2021	August 24, 2021	November 17, 2021
Board IT and Cyber Security Committee	March 17, 2021	June 16, 2021	August 25, 2021	November 17, 2021
Board Governance and remuneration Committee	March 18, 2021	June 17, 2021	August 25, 2021	November 18, 2021

Board Minutes of the above board committee meetings are kept by the company secretariat

BRMC: Board Risk Management Committee
BAC: Board Audit Committee
BGRC: Board Governance and Remuneration Committee
BCC: Board Credit Committee
BICC: Board IT and Cyber Security Committee

Board and Board committees' attendance

In 2021, the Board of Directors met 4 times. The meetings were held on 18th March, 17th June, 25th August and the last one on 18th November 2021. Director's attendance was satisfactory (100% of the total Number of meeting each Director was eligible to attend). The Board meetings of March and June were held physically while meetings in August and November were held online in line with the COVID- 19 restrictions.

Board and committee attendance in 2021 was as follows:

		Board		AC		RMC		CC		GR		BICC	
		A	B	A	B	A	B	A	B	A	B	A	B
Chairperson : Independent													
Chantal Mubarure	Chairperson	4	4	0	0	0	0	0	0	0	0	0	0
Non Executive													
Dolapo Ogundimu	Director	4	4	4	4	4	4	4*	4	4	4	4*	4
Executive													
Faustin R. Byishimo	Director	3	3	0	0	3	3	3	3	3	3	3	3
Prossie Kalisa	Director	3	3	0	0	3	3	3	3	3	3	3	3
Independent Directors													
Gerald Mpyisi	Director	4	4	4	4	4*	4	4	4	4	4	4	4
Alice Ntamitondero	Director	4	4	4*	4	4	4	4	4	4	4	4	4
Philip Gasaatura	Director	4	4	4	4	4	4	4	4	4*	4	4	4

*Chairperson of the committee,
*Sometimes acted as the chairperson of the committee.

Note
A= Total number of meetings the director was eligible to attend.
B = Total number of meetings the director did attend.
AC= Audit Committee
RC= Risk Committee
CC= Credit Committee
NR= Nomination and Remuneration Committee
BICC=Board IT and Cyber Security Committee

BOARD EVALUATION

Evaluation Approach

In line with Access Bak Rwanda Plc Board Charter Guidelines and the Corporate Governance Regulation, the 2021 Board and Directors Evaluation was completed based four key areas:

- Structure, function and processes employed in the execution of the Board's mandate, as well as evaluation of the overall effectiveness of the Board;
- Compliance with country specific regulatory requirements (Law no 01/2018 on Corporate Governance for Banks and Financial Institutions);
- Compliance with Access Bak Rwanda Plc defined Corporate Governance Guidelines;
- Best Practice Skills, participation and contribution of individual Directors to the functioning of the Board.

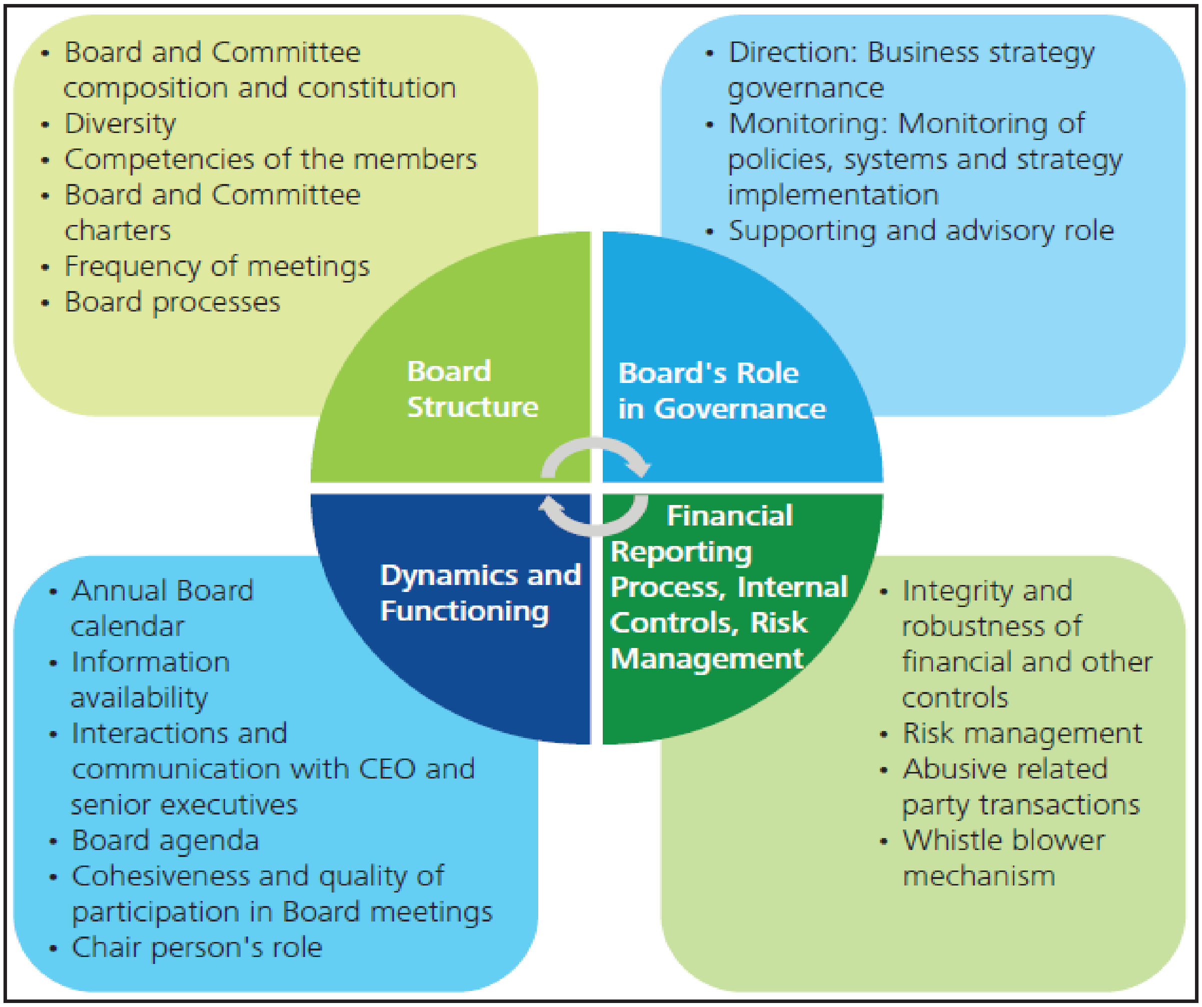
In performing the Board and Directors Performance assessment, the following were consulted:

- Interviews with principal officers
- Questionnaire survey:
- Board Performance
- Self / Peer Performance Feedback
- Review of Board documentation and papers:
- Memorandum and Articles of Association
- Board Terms of Reference
- Board Committees terms of References
- Board papers
- Minutes of Board meetings
- Risk Management Framework
- Credit processes
- Audit processes

Parameters of Board Evaluation

The Board performs three major roles in the Bank – it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management) and provides support and advice (advisory role).

This Board evaluation examined these roles of the Board and the entailing responsibilities, and assessed how effectively these have been fulfilled by the Board. In doing the evaluation, the following parameters were considered.



Compliance with the Regulator's instruction

Board self-evaluation

	Caption	Progress status		Indicated timeframe (If any)		Indicator
		Done	Not Done	Planned time	Time on which it was achieved	Indicator
1	The board is composed of diversified members with diversified skills and knowledge	Yes		Regular/ on-going	Regular/ on-going	The board has an approved training plan. Board members are continuously trained on emerging issues in the market.
2	The board has a required number of members	Yes		Regular/ on-going	Regular/ on-going	The board has 7 Members. The minimum number required is 7 Directors
3	The board has at least 7 directors and at least 4 of them are independent	Yes				The 2 additional directors were approved by BNR., At the date of this publication, the regulatory ratio requirement is met.
4	The board has set all required board committees with clear responsibilities.	Yes.		Regular/ on-going	Regular/ on-going	5 Committees were established in line with the regulatory requirements. They include: 1. Board Audit, 2. Board Risk, 3. Board Governance and Remuneration, 4. Board IT and Cyber Security 5. Board Credit

In connection with the Board Evaluation for 2021, the following is the level of compliance with regulation n° 01/2018 of 24/01/2018 on corporate governance for banks around five areas namely:

1. Structure of the board
2. Functioning of the board
3. Business strategy & policies
4. Monitoring role of the board and
5. Board and committee meetings

The following tables set out the requirements and bank level of compliance during the assessed period.

Functioning of the board

	Caption	Done	Not Done	Planned time	Time on which it was achieved	Indicator
1	The board has its annual working program which highlights key performance indicators	Yes,		Annual Board Meetings	Regular/ On-going	This is done during the annual board retreat. The Board retreat is included in the annual board calendar and during that retreat; strategic areas of focus/ objectives for the Board are discussed. During the Board meetings; there is regular reporting and monitoring on the achievement of Board annual objectives as discussed in the Board retreats.
2	The board conducted its self-assessment during the last financial year	Yes		March of every year	End March Every year	Through an external evaluation. The Bank has hired a consultant to provide the board evaluation for 2021
3	There is a smooth communication between the senior management and the board	Yes		Regular/ On-going	Regular/ On-going	This is done through various modes of formal and informal communication. The Board receives regular updates on key issues through email and senior management also interacts with the Board informally. The Board also has a communication policy in place that governs the overall framework on communication with senior management.
4	There is a comprehensive mechanism to guarantee independence of the board to avoid and/or mitigate conflicts of interest	Yes		Regular/ On-going	Regular/ On-going	The policies of the Board particularly the Code of conduct, succession policy and the Board of Directors charter clearly stipulate the key guidelines for mitigating conflict of interests such as the need to ensure regular disclosure of Directors' interests. The Directors also make annual disclosures that are clearly documented.

	Caption	Done	Not Done	Planned time	Time on which it was achieved	Indicator
5	Every agenda of the board meeting reflects what is included in the business plan.	Yes		Quarterly	Quarterly	The report of the Managing Director (agenda on Full Board meeting) shows the quarterly progress on trend of achievement of business plans. Other Committees such as Board ALCO receive reports on trend of performance
6	Directors regularly benefit trainings to keep themselves updated about the trends in the sector.	Yes		Annual	Annual	The Board has an approved training plan. Board members are continuously trained on emerging issues in the industry

Business strategy&policies

	Caption	Done	Not Done	Planned time	Time on which it was achieved	Indicator
1	The board has approved key policies for the core business.	Yes		Regular/ On-going	Regular/ On-going	This is a work in progress as policies are reviewed and approved by the Board on an annual basis. This is also highlighted in the Board of Directors minutes and Compliance report where issues of policy review and approval are always highlighted.
2	The board has approved a clear strategic plan reflecting core areas of its operations.	Yes		Quarterly	Quarterly	The Board approved the five-year strategic plan and quarterly reporting on implementation status is provided through the MD's report and Strategic Business reports.
3	The board has insured there is annual business plan and is firmly adhered to.	Yes		Quarterly	Quarterly	Annual business plans are reviewed on a quarterly basis through the Business strategy report and MD's reports.

	Caption	Done	Not Done	Planned time	Time on which it was achieved	Indicator
4	The board has reviewed annual budget, financial reports, accounts, auditor's report and investment policies.	Yes.		Quarterly	Quarterly	Refer to Board Audit and Board of Directors minutes; financial reports and accounts are reviewed and approved.
5	The board has formulated a management succession plan, business continuity plan and recovery plan for capital problem. If yes, attach the copy of the plan.	Yes		Quarterly	Quarterly	The plans are reviewed annually and approved by the Board.
6	The board informed shareholders about the bank's capital adequacy advised them on the appropriate manner of increasing capital levels when necessary.	Yes		Quarterly	Quarterly	The Board continually receives reports on capital adequacy levels (Refer to Board Risk minutes, Head of Risk report and Board of Directors minutes.
7	Board of Directors assessed on quarterly basis the performance of each product and proposed corrective measures on the non-performing ones. If yes, indicate profitability analysis report for each product.	Yes		Quarterly	Quarterly	Assessment of the Bank's products is primarily disclosed through the Head of Business strategy report and the Managing Director's report.

Monitoring the role of the Board

	Caption	Done	Not Done	Planned time	Time on which it was achieved	Indicator
1	The board assessed the senior management performance	Yes		Quarterly.	Quarterly	This is done through Board Governance and Remuneration Committee where the Board receives the management evaluation from the group and from there, The Board makes several recommendations to improve and monitor senior management performance;
2	The board has monitored effectiveness control functions.	Yes		Quarterly	Quarterly	This is done through the Board Risk Committee where the Board receives the Conduct and Compliance report. The report highlights issues on strengthening internal control systems such as regulatory intelligence, financial crimes monitoring; health and safety and other compliance monitoring activities. The Board Audit Committee also receives reports on risk assessment and level of effectiveness of internal control systems
3	The Board has overseen the publication of annual audited financial statements as required by the regulations. If yes, please indicate the date of publication.	Yes		Annually	End Quarter 4 of each year	The Minutes and agenda of the Board of Directors and Board Audit Committee clearly indicate approval for publication of statements
5	The board made sure that the recommendations of the regulator have been complied with/implemented	Yes		Quarterly	Quarterly	The Board Audit Committee, Board Risk Committee and Board of Directors receive extensive reports on status of implementation of BNR recommendations and other regulatory recommendations (This is indicated in the Board minutes deliberations)

	Caption	Done	Not Done	Planned time	Time on which it was achieved	Indicator
6	The board is informed on the banking core system and challenges it has.	Yes		Quarterly	Quarterly	This is done through the Board IT & Cyber Security Committee and Board Risk Committee where a report on vulnerability test is given.

Board and committee meetings

		Done	Not Done	Planned time	Time on which it was achieved	Indicator
1	Every board and committee sitting has reached the required quorum and individual board attendance reached at least 75% for the whole financial year.	Yes		Quarterly	Quarterly	Attendance is clearly documented as Board members are requested to sign on the attendance sheet.
2	Board agenda clearly reflect the business plan of the bank's KPIs, solvency and sustainability of the institution	Yes		Quarterly	Quarterly	The MD's report presented in the Board of Directors meeting clearly indicates the annual and quarterly business targets and benchmarks for performance

Board self-evaluatio

The National Bank of Rwanda regulation n° 01/2018 of 24/01/2018 on corporate governance for banks states out many requirements that a banking institution has to comply with.
The following table set out the requirements and bank level of compliance during the assessed period.

The compliance level is set out in 5 levels, from High to Unacceptable.

SN	Requirements	Observations
1	All directors, managing director, and management are made fully aware of their duties, responsibilities and code of conduct;	Acknowledgment of Code of conduct is signed upon appointment
2	All management decisions are made in accordance with prudent banking practices.	It is an ongoing recurring process
3	No shareholder with more than a significant shareholding in the bank is Managing Director or form part of the management of the bank	Complying
4	No director who is taking up his/her position prior to being cleared by the Central Bank	Complying
5	The board set-up an independent Compliance Function and approves the bank's compliance policy including a charter of other formal documents.	The Conduct and Compliance function is in place and its policies are duly approved by the Board and reviewed on an annual basis.
6	The board is responsible for Appointment, dismissal and the definition of the responsibilities of management	Complying
7	Every director has attended board meetings regularly and effectively participated in the conduct of the business of the Board.	Complying
8	Every member of the board attended at least 75% of the board meetings during 2021.	Complying
9	The bank has at least seven (7) directors, of which at least four (4) of them are independent directors.	Compliant as at the date of this publication
10	No Director holds the position of a director in more than another institution licensed by NBR	Complying
11	The Board Chairperson is not a significant shareholder	Complying
12	The position of Chairperson is separated from that of Managing Director	Complying
13	The Board Chairperson is not the Managing Director	Complying
14	Managing Director is not the Board Chairperson	Complying

SN	Requirements	Observations
15	The Board Chairperson and the Managing Director are not from same extended family	Complying
16	Directors who represent the parent company in the Board in the bank do not exceed one third (1/3) of the total number of Board members	Complying
17	The Board through its nomination committee or similar board committee regularly reviewed its required mix of skills and experience and other qualities in order to assess the effectiveness of the board.	Complying
18	Board of Directors reported to the Central Bank, the resignation or removal of any of its members within seven days.	Complying
19	Board committees have formally determined terms of reference, life span, role and function	Complying
20	All board committees are chaired by an independent director. (Except for board committee fulfilling an executive function)	Complying
21	Existence of Board Audit Committee	Complying
22	The Audit Committee consist of not less than three members	Complying
23	Two members of the audit committee are independent directors	Complying
24	The chairperson of the audit committee is not the Board Chairperson	Complying
25	The chairperson of the audit committee is an independent director	Complying
26	Board chairperson is not a member of the Audit Committee	Complying
27	The managing director is not a member of the Audit Committee	Complying
28	The chair of audit committee and the chair of risk management committee do not chair any other board committees.	Complying
29	Existence of Board Credit Committee	Complying
30	The Credit Committee is made of a combination of board members and senior management officials	Complying
31	The Credit Committee meet on a quarterly basis, but may be as often as monthly.	Complying
32	Existence of Board Asset and Liability Committee (ALCO)	Complying
33	ALCO is made of at Least Two Directors and senior management official	Complying

SN	Requirements	Observations
34	ALCO meet on a quarterly basis, but may be as often as monthly.	Complying
35	Existence of Risk Management Committee	Complying
36	Risk Management Committee is made of a combination of board members and senior management officials	Complying
37	Risk Management Committee meet on a quarterly basis, but may be as often as monthly.	Complying
38	Managing Director was approved by BNR	Complying
39	No Director is engaged directly or indirectly in any business activity that competes or conflicts with the bank Interest	Complying
40	A disclosure is made where directors, chief executive officers and management have a financial interest in a customer, whether a sole proprietor, shareholder, creditor or debtor.	All Directors have signed their declarations
41	The evaluation shall be conducted annually and is to be disclosed in the annual report	Complying
42	The bank has a policy clearly defining the succession plan of the board to ensure continuity of its activities.	The board renewal schedule is in place. This indicates the appointment dates and expiration of tenor for Directors. The Board also has a succession policy that provides guidelines on succession.

Board Evaluation: Peer Review, Board Committees, Self-Evaluation and Chairperson Evaluation

We have adapted our boardroom survey and Access Bank Rwanda Plc Directors have completed it. This survey was designed based on the guidance on Board of Directors evaluation as provided in the annex to the regulation n° 01/2018 of 24/01/2018 on corporate governance for banks, and this was improved to cover the Board evaluation around 9 criteria of board performance evaluation (board organization, managing the affairs of the board, strategy and plans, management and human resources, business and risk management, financial and corporate issues; shareholders and corporate communication; policies and procedures; legal obligation), board committees, the Board Chairperson and has been completed by all directors. The questionnaire also had a part reserved for each Director self-evaluation.

Note: The evaluation was done, and the questionnaires and interviews were completed by the board members who served during 2021.

Board evaluation: peer review

Board evaluation was conducted around 9 criteria of board performance evaluation namely board organization, managing the affairs of the board, strategy and plans, management and human resources, business and risk management, financial and corporate issues; shareholders and corporate communication; policies and procedures; legal obligation. Following are the result of this evaluation from the completed questionnaire.

	SCORE								AVERAGE SCORE
Evaluation criteria	**DIR 1**	**DIR 2**	**DIR 3**	**DIR 4**	**DIR 5**	**DIR 6**	**DIR 7**	**DIR 8**	
Board organization	4.5	4.3	5	4	5	4	4.5	5	4.5
Managing the affairs of the board	4.5	5	5	5	5	3	4.5	4.5	4.6
Formulation of strategy and plans	5	5	5	5	5	4	5	4.7	4.8
Management and human resources	4.3	4	4.5	5	5	4.3	4.3	4	4.4
Business and risk management	4	4.3	5	5	5	3.5	4	5	4.5
Financial and corporate issues	4.5	4.8	5	4.5	5	4	4.5	5	4.7
Shareholders and corporate communication	4.7	4.8	5	5	5	4	4.7	4.8	4.8
Policies and procedures	5	5	5	5	5	5	5	4.5	4.9
Legal obligation	5	4.5	5	5	5	4	5	5	4.8

Note: All the Directors have completed the questionnaires

Evaluation of Board Committees

The effectiveness of board committee was evaluated by the directors and the results are as follow:

	SCORE						AVERAGE SCORE
Evaluation criteria	DIR 1	DIR 2	DIR 3	DIR 4	DIR 5	DIR 6	
Board Audit Committee	4	5	4	5	5	5	4.7
Board Risk Management Committee	4	5	4	5	5	5	4.7
Board Credit Committee	4	5	4	5	5	5	4.7
Board Asset and Liability Committee	4	5	4	5	5	5	4.7
Board Governance and Remuneration Committee	4	5	4	5	5	5	4.7

All the Directors have completed the questionnaires

The directors agree that the board committees are performing well.

The Chairperson evaluation

The Board Chairperson performance was evaluated by other directors. The results of the evaluation revealed that the directors agree that the chairperson's performance is satisfactory. The chair evaluation was made around 21 evaluation criteria (see PART C, Chair performance of the annex 1, Board evaluation questionnaire); and this have been summarized in 9 areas as shown in the table below.

	SCORE						AVERAGE SCORE
Evaluation criteria	**DIR 1**	**DIR 2**	**DIR 3**	**DIR 4**	**DIR 5**	**DIR 6**	
Overall leadership skills	5	5	5	5	5	5	5.0
Defining and approving the annual Board plan	5	5	5	5	5	5	5.0
Ensuring Mix of relevant skills on Board	5	5	5	5	5	5	5.0
Ensuring board meeting are regular	5	5	5	5	5	5	5.0
Communication with Board Member outside board room	5	5	5	5	5	5	5.0
Communication with shareholders	5	5	5	5	5	5	5.0
Communication with the Management	5	5	5	5	5	5	5.0
Communication with shareholders	5	5	5	5	5	5	5.0
Regular Knowledge and skills refreshment	5	5	5	5	5	5	5.0
His contribution to the development of strategy and to risk management is significant	5	5	4	5	5	5	4.8
Overall assessment of chairperson	5	5	5	5	5	5	5.0


CUSTOMER CENTRICITY
access
more than banking

CUSTOMERS COMPLAINTS AND FEEDBACK

Access Bank (Rwanda) Plc is fully committed to its core value of ‘passion for customers’.

The Bank prides itself on providing exceptional services to customers always. Nonetheless, given the number and complexity of financial transactions that take place daily, the Bank recognizes that there will inevitably be occasions when mistakes and misunderstandings occur. In these situations, Access Bank (Rwanda) Plc encourages customers to bring their concerns to its attention for prompt resolution. In addition, deliberate efforts are made to solicit customers’ feedback on the Bank’s products and services.

Complaints Channels

In order to facilitate seamless complaint and feedback process, the Bank has provided various channels for customers. These include:

- The Bank’s contact centre with feedback through emails and telephone
- The Bank’s social media platforms (Twitter, Facebook and Instagram)
- Feedback portal on the Bank's website;
- Customer service desks in all branches
- Correspondence from customers through dedicated relationship managers

Complaints Handling

We handle customer complaints with sensitivity and due regard for the needs and understanding of each complainant. Efforts are made to resolve customer’s complaints at first level; However, where this cannot be done, they are immediately referred to the appropriate persons for resolution. All complaints are logged and tracked for resolution and feedback is provided to the customer.

Resolve or Refer Command Centre

The centre serves to encourage timely service delivery and first time resolution of customer issues. The ‘Resolve or Refer Command Centre’ is manned by a senior management staff who has the mandate to ensure that most customer issues are resolved same day. The command centre provides support to all our departments and branches on issue resolution.

Complaints Tracking and Reporting

We diligently track complaint information for continuous improvement of our processes and services. An independent review of the root cause of complaints are carried out and lessons learnt are fed back to the relevant business units to avoid recurrence. Customer complaints metrics are analyzed and reports are presented to Executive Management and the Operational Risk Management Committee.

Solicited Customers Feedback

Deliberate efforts are made to solicit feedback from customers and staff on the Bank's products and services through the following:

- Questionnaires
- Customer satisfaction surveys
- Quest for Excellence Sessions (for staff)

The various feedback efforts are coordinated by our Customer Experience Unit. The feedback obtained from customers are reviewed and lessons learnt are used for staff training and service improvement across the Bank.

WHISTLEBLOWING REPORT

COMMITMENT TO ETHICAL AND PROFESSIONAL STANDARDS

The Board and senior management of Access Bank (Rwanda) Plc have continued to set the tone for strong ethical and professional standards in terms of ensuring that shareholders' reputation and financial assets are safeguarded. The Bank has instituted machineries that will support and build organizational trust via the establishment of the whistleblowing policy and reporting channels. This is to support the detection and reporting of unethical behaviours within the Bank. All stakeholders are expected to comply with the standards described in the policy in the discharge of their duties.

Whistle blowing refers to the practice of reporting wrongdoing or unethical behaviour in an organization. It is primarily for reporting concerns where the interest of the Bank or its stakeholders is at stake. It further always reinforces the value the Bank places on its staff to act honestly and professionally.

The Objectives of the Bank's Whistleblowing policy remains:

- To support our corporate philosophy.
- To encourage employees to confidently raise concerns about unethical violation of the Bank's policies and breach of professional code of conduct.
- To reassure the whistle blower of protection from possible reprisals or victimization
- To provide a transparent process for dealing with concerns.
- To regularly communicate to members of staff the avenues open to them to report concerns.
- To encourage employees and other stakeholders to identify and challenge all improper, unethical, or inappropriate behaviour at all levels of the organization.
- To provide clear procedures for reporting and handling such concern(s).
- Proactively prevent and deter misconduct that could damage the Bank's reputation.

Channels for Reporting

There are various channels available for reporting such as telephone and e-mail (dedicated email) access for reporting and seeks to assure employees and other stakeholders of confidentiality and protection.

This helps promote and develop a culture of openness, accountability, and integrity.

As per the Bank's policy, a whistleblower shall not be subjected to any detriment whatsoever on the grounds that she/he has made a disclosure in accordance with the best practive for whistle blowing even when it is untrue but in good faith.

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FINANCIAL STATEMENTS

ACCESS BANK (RWANDA) PLC
BANK INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

REGISTERED OFFICE

The Bank is incorporated in Rwanda as a limited liability company and is domiciled in Rwanda. The address of its registered office is:

Access Bank (Rwanda) Plc
TIN: 100053886
3rd Floor, KIC Building
Avenue de la Paix
PO Box 2059
Kigali, Rwanda
Tel.: +250 788 145 300
Email: RwandaContactCenter@accessbankplc.com
Website: www.rwanda.accessbankplc.com

COMPANY SECRETARY
Don King Agaba
Access Bank (Rwanda) Plc
Avenue de la Paix
P.O Box 2059
Kigali, Rwanda

CORRESPONDENT BANKS

ACCESS BANK UK
4 Royal Court
Gadbrook Park, Northwich
Cheshire, UK

CITIBANK, N.A LONDON BRANCH
CGC Centre, Canary Wharf
E14 5 LB, London, UK

CITIBANK, N.A LONDON BRANCH
Building No. 3,
Inanda Greens Business Park,
54 Wierda Road West,
Sandton,Johannesburg, 2189

Custodian
Stanbic IBTC Bank Plc
I.B.T.C. Place Walter Carrington
Crescent / P.O. Box 71707 Victoria
Island Lagos Nigeria

CITIBANK N.A
Citigroup South Africa
145 West Street, Sandown, Sandraton, 2126
PO Box 1800, Saxonwold, 2132

FINBANK
16 Bld de la Liberté
PO Box 2998 Bujumbura, Burundi

ABSA S.A
Absa Towers West, 15 Troye
Street, Johannesburg,
Gauteng, South Africa, 2000

ACCESS BANK (RWANDA) PLC
BANK INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

Branches

NYABUGOGO BRANCH
Boulevard de la Nyabugogo
PO Box 2059, Kigali
Tel.: +250 788 145 271

RUBAVU BRANCH
Avenue de l'indépendance
Rubavu District, Western Province, Rwanda
PO Box 2059, Kigali
Tel.: +250 788 145 276
Fax: +250 252 540 121

MUSANZE BRANCH
Centre Ville Musanze
North Province, Rwanda
PO Box 2059, Kigali
Tel.: +250 788 145 275

KCM BRANCH
Avenue du lac Ihema
PO Box 2059, Kigali
Tel.: +250 788 145 274

Branches

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Remera, Gasabo District
PO Box 2059, Kigali
Tel.: +250 788 145 270

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Rusizi District
Western Province, Rwanda
PO Box 2059, Kigali
Tel.: +250 788 145 277

CHIC BRANCH
Nyarugenge District
PO Box 2059, Kigali

ADVOCATES

Me Rukangira Emmanuel
P.O Box 7097
Kigali
Rwanda

AUDITOR
PricewaterhouseCoopers Rwanda Limited
Blue Star House, 5th floor
35 KG 7 Ave, Kacyiru
PO Box 1495
Kigali, Rwanda

ACCESS BANK (RWANDA) PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors submit their report together with the audited financial statements for the year ended 31 December 2021 which disclose the state of affairs of Access Bank Rwanda Plc.

1. PRINCIPAL ACTIVITIES

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

2. RESULTS

The results for the year are set out on page 128.

3. DIRECTORS

The directors who served during the year and to the date of this report are as shown below;

Name	**Nationality**	**Title**	**Appointment date**
Chantal Mubarure	Rwandan	Chairperson	20/11/2012
Gerald Mpyisi	Rwandan	Independent Director	05/06/2014
Alice Ntamitondero	Rwandan	Independent Director	24/10/2016
Philip Gasaatura	Rwandan	Independent Director	30/10/2020
Dolapo Ogundimu	Nigerian	Non-executive Director	06/12/2020
Faustin R. Byishimo	Rwandan	Managing Director	01/05/2021
Prossie Kalisa	Rwandan	Executive Director	01/07/2021
Oluseun Onasoga	Nigerian	Executive Director	29/07/2020*

*Resigned on 01 July 2021.

4. MANAGMENT COMMITTEE

Faustin R. Byishimo	Managing Director	Chairman
Prossie Kalisa	Executive Director Retail & Digital Banking	Member
Alice Umulisa	Head of Internal Audit	Member
Olanma John-Agbaje	Chief Operations Officer	Member
Deogratias Gasagure	Chief Financial Officer	Member
Don King Agaba	Company Secretary and Ag. Head of Corporate Counsel and Legal affairs.	Member
Christian Salifou	Ag. Group Head, Wholesale Banking	Member
Alizee Nanyonga	Ag. Head of Treasury	Member
Mugisha Emmanuel	Ag. Head of Credit Risk Management	Member
Jean Felix Dukuzimana	Head of Conduct and Compliance	Member

5. <u>SHAREHOLDING</u>

The bank's shareholding as at 31 December 2020 is as shown below.

Shareholders	Number of Shares	Percentage Holding
Access Bank Plc	2,596,796	91%
Nicholas Watson	160,099	6%
Tribert Rujugiro Ayabatwa	40,000	1%
Paul Nkwaya	24,950	1%
Theoneste Mutambuka	24,950	1%
Jean Claude Karayenzi	1	-
Total	2,846,796	100%

6. AUDITOR

The company's auditor, PricewaterhouseCoopers Rwanda Limited's maximum term to remain in office has ended and successor shall be appointed in accordance with Regulation No. 14/2017 of 23/11/2017 On Accreditation Requirements and Other Conditions for External Auditors of Financial Institutions.

7. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the directors on 22 March 2022. The directors have the power to amend and reissue the financial statements.

By order of the board

Company Secretary

22 March 2022

Corporate Governance

The Bank has established a tradition of best practices in corporate governance. The corporate governance framework is based on an effective experienced board, separation of the board's supervisory role from the executive management and constitution of board committees comprising of 4 independent directors, 1 Non-executive director and 2 executive directors.

Board of directors

The Bank has a broad-based board of directors. The board functions as a full board and through various committees constituted to oversee specific operational areas. The board has constituted five committees. These are the Audit Committee, Credit Committee, Risk Management Committee, Governance and Remuneration Committee and IT & Cyber Security Committee. Three out of five board committees are constituted and chaired by independent directors, and two Committees are chaired by a Non-Executive Director. As at 31 December 2021, the Board of Directors consisted of 7 members.

Committee	Head	Membership	Meeting frequency
Audit	Independent director	3 Independent Directors	Quarterly
		1 Non-Executive Director	
Credit	Independent director	3 Independent Directors 1 Non-executive Director 2 Executive Directors	Quarterly
Risk Management	Independent director	3 Independent Directors 1 Non-Executive Director 2 Executive Directors	Quarterly
Governance and Remuneration	Independent director	3 Independent Directors 1 Non-Executive Director 2 Executive Directors	Quarterly
IT & Cyber Security Committee	Non-Executive director	3 Independent Directors 1 Non-Executive Director 2 Executive Directors	Quarterly

Board committee membership is detailed below

Corporate Governance (Continued)

Board Audit Committee

Alice Ntamitondero	Chairperson
Gerald Mpyisi	Member
Dolapo Ogundimu	Member
Philip Gasaatura	Member

Board Credit Committee

Alice Ntamitondero	Member
Gerald Mpyisi	Member
Dolapo Ogundimu	Chairperson
Philip Gasaatura	Member
Faustin Rukundo Byishimo	Member
Prossie Kalisa	Member

Board Risk Management Committee

Alice Ntamitondero	Member
Gerald Mpyisi	Chairperson
Dolapo Ogundimu	Member
Philip Gasaatura	Member
Faustin Rukundo Byishimo	Member
Prossie Kalisa	Member

Board Governance and Remuneration Committee

Alice Ntamitondero	Member
Gerald Mpyisi	Member
Dolapo Ogundimu	Member
Philip Gasaatura	Chairperson
Faustin Rukundo Byishimo	Member
Prossie Kalisa	Member

BOARD IT & CYBER SECURITY COMMITTEE

Alice Ntamitondero	Member
Gerald Mpyisi	Member
Dolapo Ogundimu	Chairperson
Philip Gasaatura	Member
Faustin Rukundo Byishimo	Member
Prossie Kalisa	Member

Corporate Governance (Continued)

In addition to the above committees, there are committees at management level comprised of senior management that meet on a daily, weekly, monthly, and/or quarterly basis. Membership to the different committees is detailed below:

Enterprise Risk Management Committee

Faustin Rukundo Byishimo	Managing Director	Chairperson
Deogratias Gasagure	Chief Financial Officer	Member
Olanma John-Agbaje	Chief Operations Officer	Member
Emmanuel Mugisha	Ag. Head of Credit Risk Management	Secretary
Alice Umulisa	Head of Internal Audit	Member
Prossie Kalisa	Executive Director, Retail & Digital	Member
Jean Felix Dukuzimana	Head of Conduct and Compliance	Member
Alize Nanyonga	Ag. Head of Treasury	Member
James Muziga	Head of IT	Member
Jackson Rwanyenyeri	Head of Information Security	Member
Brenda Mundekere	Head of Corporate communication	Member
Roselyne Umukundwa	Head of Global Trade	Member
Paul Sinanga	Head of Retail	Member
Natacha Umuhoza	Head of IBG	Member
Hirwa Sandrine	Head of CGB	Member
Don King Agaba	Company Secretary and Ag. Head of Corporate Counsel and Legal affairs	Member
Christian Salifou	Ag. Group Head, Wholesale Banking	Member

Management Credit Committee

Faustin Rukundo Byishimo	Managing Director	Chairperson
Olanma John-Agbaje	Chief Operations Officer	Member
Emmanuel Mugisha	Ag. Head Credit Risk Management	Secretary
Don King Agaba	Ag. Head of Corporate Counsel and Legal affairs.	Member
Prossie Kalisa	Executive Director, Retail & Digital	Member
Paul Sinanga	Head of Retail	Member
Natacha Umuhoza	Head of IBG	Member
Hirwa Sandrine	Head of CGB	Member
Jean Felix Dukuzimana	Head of Conduct and Compliance	Member
Christian Salifou	Ag. Group Head, Wholesale Banking	Member

Corporate Governance (Continued)

Information Technology Steering Committee

Faustin Rukundo Byishimo	Managing Director	Chairperson
Deogratias Gasagure	Chief Finance Officer	Member
Olanma John-Agbaje	Chief Operations Officer	Member
Alice Umulisa	Head of Internal Audit	Member
James Muziga	Head of Information Technology	Secretary
Prossie Kalisa	Executive Director, Retail & Digital	Member

Assets and Liabilities Committee

Faustin Rukundo Byishimo	Managing Director	Chairperson
Deogratias Gasagure	Chief Financial Officer	Member
Olanma John-Agbaje	Chief Operations Officer	Member
Emmanuel Mugisha	Ag. Head of Credit Risk Management	Member
Alice Umulisa	Head of Internal Audit	Member
Prossie Kalisa	Executive Director, Retail & Digital	Member
Alize Nanyonga	Ag. Head of Treasury	Secretary
James Muziga	Head of IT	Member
Paul Sinanga	Head of Retail	Member
Natacha Umuhoza	Head of IBG	Member
Hirwa Sandrine	Head of CGB	Member
Christian Salifou	Ag. Group Head, Wholesale Banking	Member

Critisized Assets Committee

Faustin Rukundo Byishimo	Managing Director	Chairperson
Emmanuel Mugisha	Ag. Head of Credit Risk Management & CRO	Secretary
Prossie Kalisa	Executive Director, Retail & Digital	Member
Don King Agaba	Ag. Head of Corporate Counsel and Legal affairs.	Member
Paul Sinanga	Head of Retail	Member
Natacha Umuhoza	Head of IBG	Member
Hirwa Sandrine	Head of CGB	Member
Christian Salifou	Ag. Group Head, Wholesale Banking	Member

Management Committee

Faustin R. Byishimo	Managing Director	Chairman
Prossie Kalisa	Executive Director Retail & Digital Banking	Member
Alice Umulisa	Head of Internal Audit	Member
Olanma John-Agbaje	Chief Operations Officer	Member
Deogratias Gasagure	Chief Financial Officer	Member
Don King Agaba	Company Secretary and Ag. Head of Corporate Counsel and Legal affairs.	Member
Christian Salifou	Ag. Group Head, Wholesale Banking	Member
Alizee Nanyonga	Ag. Head of Treasury	Member
Mugisha Emmanuel	Ag. Head of Credit Risk Management	Member
Jean Felix Dukuzimana	Head of Conduct and Compliance	Member
Paul Sinanga	Head of Retail	Member
Natacha Umuhoza	Head of IBG	Member
Hirwa Sandrine	Head of CGB	Member
James Muziga	Head of IT	Member
Roselyne Kamanzi	Head of Global Trade	Member
Alexis Nyarukuru	Team member, Corporate Counsel and Legal affairs	Secretary

Executive Committee

Faustin R. Byishimo	Managing Director	Chairman
Prossie Kalisa	Executive Director Retail & Digital Banking	Member
Alice Umulisa	Head of Internal Audit	Member
Olanma John-Agbaje	Chief Operations Officer	Member
Deogratias Gasagure	Chief Financial Officer	Member
Don King Agaba	Company Secretary and Ag. Head of Corporate Counsel and Legal affairs.	Secretary
Christian Salifou	Ag. Group Head, Wholesale Banking	Member
Alizee Nanyonga	Ag. Head of Treasury	Member

Rapid Portfolio Review Committee

Faustin R. Byishimo	Managing Director	Chairman
Prossie Kalisa	Executive Director Retail & Digital Banking	Member
Don King Agaba	Company Secretary and Ag. Head of Corporate Counsel and Legal affairs.	Member
Christian Salifou	Ag. Group Head, Wholesale Banking	Member
Mugisha Emmanuel	Ag. Head of Credit Risk Management & CRO	Secretary
Jean Felix Dukuzimana	Head of Conduct and Compliance	Member
Sarton Mukiza	Team member, Credit Risk Management	
Paul Sinanga	Head of Retail	Member
Natacha Umuhoza	Head of IBG	Member
Hirwa Sandrine	Head of CGB	Member

The Law No. 007/2021 of 05/02/2021 relating to Companies requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for the 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 in the manner required by the Law No. 007/2021 of 05/02/2021 relating to Companies. The directors are of the opinion that the financial statements present fairly in all material respects the financial affairs of the Bank and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this statement.
The financial statements on pages 16 to 93 were approved by the board of directors on 22 March 2022 and signed on its behalf by:

Managing Director

Board Audit Committee Chairperson

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF ACCESS BANK (RWANDA) PLC

Report on the audit of the financial statements

Our opinion

In our opinion, Access Bank (Rwanda) Plc's (the "Bank" / "Company") financial statements give a true and fair view of the financial position of the Bank as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in accordance with law no 007/2021 of 05/02/2021 governing companies.

What we have audited

Access Bank (Rwanda) Plc's financial statements are set out on pages 16 to 93 and comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Key audit matter

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

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Tel: +250 (252) 588203/4/5/6, www.pwc.com/rw
Directors: M Karanja M Nyabanda B Kimacia P Ngahu

Key audit matter	How our audit addressed the key audit matter
Expected credit losses on loans and advances at amortised cost Loans and advances to customers comprise a significant portion of the Bank's total assets. The estimation of expected credit losses (ECL) on loans and advances requires management judgment in the assumptions that are applied in the models used to calculate ECL. Changes to the assumptions and estimates used by management could generate significant fluctuations in the Bank's financial results and materially impact the valuation of the portfolio of loans and advances. In addition, the evolving economic impact of the COVID-19 pandemic has heightened the general risk of credit default and significant increase in credit risk, increasing the uncertainty around the management judgements and estimation process. The policies for estimating ECL are explained in note 34 (1) of the financial statements. The key areas where significant judgement has been exercised and therefore, an increased level of audit focus applied, include: ● the judgments made to determine the categorisation (staging) of individual loan and advances accounts in line with IFRS 9. In particular, the identification of Significant Increase in Credit Risk ("SICR") and Default requires consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether a 12-month or lifetime PD is used; ● the assumptions applied in deriving the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD) for the various segments of loans and advances, including any adjustments in relation to COVID-19 overlays; and ● the appropriateness of forward-looking information used in the model; ● the conceptual logic, soundness and accuracy of the expected credit losses models used by the Bank ● the relevance of forward-looking information used in the models; and ● Due to the significant impact of management judgments applied in calculating the ECL, we designated this as a key audit matter in our audit.	Our audit procedures focused on the significant areas of judgement and estimations that could result in material misstatements in the financial statements. These procedures included: ● We evaluated the Bank's methodology for determining ECL and evaluated this against the requirements of IFRS 9; ● We tested how the Bank extracts 'days past due (DPD)' applied in classifying the loan book into the three stages required by IFRS 9. For a sample of loans, we recalculated the DPD applied in the model and agreed these to the DPD as per the Bank's IT system and the respective customer files; ● We evaluated judgments applied in the staging of loans and advances; ● Obtained an understanding of the basis used to determine the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD) and the COVID-19 impact overlays; ● For LGD, we tested the assumptions on the timing of the cash flows based on empirical evidence. In addition, for secured facilities, we agreed the collateral values used in the ECL model to external valuer's reports; ● We tested the completeness and accuracy of the historical data used in derivation of PDs, LGDs and EADs, and re-calculated the outcomes on a sample basis. For LGD, we tested the assumptions on the timing of the cash flows based on historical empirical evidence. In addition, for secured facilities, we agreed the collateral values used in the ECL model to external valuer's reports. ● We tested, on a sample basis, the reasonableness of EAD for both on and off balance sheet exposures; ● For forward-looking assumptions used in the ECL calculations, we corroborated the assumptions using publicly available information; ● We assessed whether the disclosures in the financial statements on the key judgements and assumptions were adequate

Other information

The directors are responsible for the other information. The other information comprises bank information, directors' report, statement of directors' responsibilities and supplementary information but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the integrated annual report, which is expected to be made available to us after that date.

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

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

When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

Responsibilities of directors for the financial statements

Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in accordance with law no 007/2021 of 05/02/2021 governing companies, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF ACCESS BANK (RWANDA) PLC (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors;

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

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

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

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

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

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF ACCESS BANK (RWANDA) PLC (continued)

Report on other legal and regulatory requirements

Law no. 007/2021 of 05/02/2021 governing companies requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;

iii. We have communicated to the Company's Board of Directors, through separate management letters, internal control matters identified in the course of our audit including our recommendations in relation to those matters.

iv. We have no relationships, no interests and debt in the Company; and

v. In our opinion according to the best of the information and explanations given to us as shown by the accounting and other documents of the Company, the financial statements comply with Article 123 of Law No. 007/2021 of 05/02/2021 Governing Companies.

For PricewaterhouseCoopers Rwanda Limited

Moses Nyabanda
Director
31 March 2022

Kigali, Rwanda

ACCESS BANK (RWANDA) PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 Frw'000	2020 Frw'000
Interest income	1	9,365,527	7,314,756
Interest expense	2	(1,830,180)	(1,193,131)
Net interest income		**7,535,347**	**6,121,625**
Fee and commissions income	3(i)	2,525,501	2,139,867
Fee and commissions expense	3(ii)	(86,931)	(67,184)
Net fee and commissions income		**2,438,570**	**2,072,683**
Foreign exchange income	4	1,790,610	2,229,616
Other operating income	5	34,614	217,270
Operating income		**11,799,141**	**10,641,194**
Net recoveries/(impairment) on credit risk facilities	6	(136,385)	(42,324)
Net impairment on other financial assets at amortized cost		(227,787)	(56,797)
Employee benefits	8	(3,638,717)	(3,494,106)
Depreciation of property and equipment	19	(354,621)	(301,443)
Amortisation of intangible assets	20	(149,544)	(115,628)
Interest on lease liability	24	(109,797)	(147,279)
Depreciation -right of use asset	17	(719,843)	(841,424)
Other operating expenses	7	(3,326,495)	(2,349,166)
Profit before income tax		**3,135,952**	**3,293,027**
Income tax expense	9 (a)	(1,370,935)	(1,150,301)
Profit for the year		**1,765,017**	**2,142,726**
Other comprehensive income			
Fair value gain on property and equipment	19	23,240	-
Fair value (loss)/gains on financial assets (net of taxes)	13(iii)	6,978	-
Total comprehensive income for the year		**1,795,235**	**2,142,726**

The notes on pages 20 to 93 form an integral part of these financial statements.

ACCESS BANK (RWANDA) PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 Dec 2021 Frw'000	Restated 31 Dec 2020 Frw'000	Restated 01 Jan 2020 Frw'000
ASSETS				
Cash and balances with National Bank of Rwanda	10	27,568,083	26,988,138	24,257,102
Amounts due from other banks	11	30,063,356	32,024,976	9,632,592
Financial assets:				
- Government securities	12(i)	58,286,085	47,959,247	32,371,137
- Equity instruments	12(iii)	88,375	78,407	78,407
Loans and advances to customers	13	31,994,114	31,484,473	26,649,266
Current income tax	9 (b)	54,383	-	-
Other assets	15	2,084,827	2,225,152	1,207,093
Non-current asset held for sale	18	45,101	295,101	194,101
Property and equipment	19	2,483,677	1,883,370	1,940,251
Intangible assets	20	1,742,271	886,682	806,280
Amount due from related party	16	215,731	221,299	10,942
Right of use asset	17	1,707,369	2,200,815	3,143,221
TOTAL ASSETS		**156,333,372**	**146,247,660**	**100,290,392**
LIABILITIES				
Customer deposits	21	127,734,131	119,946,548	85,535,493
Due to National Bank of Rwanda	22	381,878	464,169	-
Current income tax	10	-	594,516	140,545
Deferred income tax	25	629,217	404,737	393,697
Other liabilities	23	2,820,449	1,199,817	1,141,036
Derivative	15	79,901	-	-
Lease liability	24	2,028,567	2,773,880	3,592,334
TOTAL LIABILITIES		**133,674,143**	**125,383,666**	**90,803,105**
Equity				
Share capital	26	14,233,981	14,233,981	5,000,000
Retained earnings		7,949,390	6,071,333	3,894,917
Fair value reserve	27	61,863	54,885	54,885
Statutory reserve	29	59,718	172,758	206,448
Revaluation reserve	28	354,277	331,037	331,037
Total shareholders' equity		**22,659,229**	**20,863,994**	**9,487,287**
TOTAL EQUITY AND LIABILITIES		**156,333,372**	**146,247,660**	**100,290,392**

The notes on pages 20 to 93 form an integral part of these financial statements.

	Notes	Share capital Frw'000	Fair value reserve Frw'000	Revaluation reserve Frw'000	Statutory reserve Frw'000	Other reserves Frw'000	Retained earnings Frw'000	Total Frw'000
Year ended 31 December 2021								
At 1 January 2021		14,233,981	54,885	331,037	172,758	-	6,071,333	20,863,994
Transaction with owners								
Profit for the year		-	-	-		-	1,765,017	1,765,017
Revaluation gain on property and equipment				33,200				33,200
Deferred tax on revaluation gain				(9,960)				(9,960)
Fair value gain on equity instruments			9,968					9,968
Deferred tax on fair value gain			(2,990)					(2,990)
Transfer from statutory reserves		-	-	-	(113,040)	-	113,040	-
At end of year December 31, 2021		**14,233,981**	**61,863**	**354,277**	**59,718**	**-**	**7,949,390**	**22,659,229**
Year ended 31 December 2020								
As at 1 January 2020 as previously stated		5,000,000	54,885	331,037	206,448	-	4,383,314	9,975,684
Prior period errors	**38**						(488,397)	(488,397)
As at 1 January 2020-Restated		**5,000,000**	**54,885**	**331,037**	**206,448**	**-**	**3,894,917**	**9,487,287**
Profit for the year							2,142,726	2,142,726
Additional capital		9,233,981						9,233,981
Transfer from statutory reserves		-	-	-	(33,690)	-	33,690	-
At end of year		**14,233,981**	**54,885**	**331,037**	**172,758**	**-**	**6,071,333**	**20,863,994**

The notes on pages 20 to 93 form an integral part of these financial statements.

ACCESS BANK (RWANDA) PLC
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Frw'000	2020 Frw'000
Cash flows from operating activities			
Profit before income tax		3,135,952	3,293,027
Adjustment for:			
Depreciation of property and equipment	19	354,621	301,443
Amortization of intangible assets	20	149,544	115,628
Depreciation-Right of use asset	17	719,843	841,424
Interest on lease liability	24	109,797	147,279
Gain on disposal of property and equipment		-	(14,522)
Gain on sale of non-current asset held for sale		(50,000)	-
Net impairment on other financial assets at amortized cost		227,787	56,797
Impairment on loans and advances	6	136,385	42,324
Net unrealized foreign exchange loss		(340,957)	-
Interest income	1	(9,365,527)	(7,314,754)
Interest expense	2	1,830,180	1,193,131
Profit before changes in operating working capital		**(3,092,375)**	**(1,338,223)**
Change in working capital:			
Change in restricted deposits		(262,352)	41,179
Change in loans and advances to banks and customers	13	(509,641)	(4,948,268)
Change in other assets	15	2,084,827	(1,252,483)
Change in Non-current assets held for sale	18	250,000	(101,000)
Change in related party balances	16	(5,568)	-
Change in deposits from customers	21	7,787,584	40,430,319
Change in other liabilities	23	(1,492,169)	(429,539)
Cash generated from operations		**4,760,306**	**32,401,985**
Interest paid on deposits and borrowings		(1,107,294)	(1,193,131)
Interest received on loans and advances		6,959,144	2,999,543
Income tax paid	9 (b)	(1,385,080)	(395,734)
Rental payment	24	(698,067)	-
Net cash from operating activities		**8,663,685**	**33,913,663**
Cash flows from investing activities			
Acquisition of investment securities	12	(10,326,838)	(12,506,044)
Acquisition of property and equipment	19	(970,124)	(254,505)
Proceeds from disposal of property and equipment		-	24,414
Proceeds from sale of non-current asset held for sale	18	200,000	-
Acquisition of intangible assets	20	(1,255,626)	(196,030)
Net cash (used in)/ from investing activities		**(12,352,589)**	**(12,932,165)**
Cash flows from financing activities			
Investment in forward derivative	14	79,901	-
Net cash from financing activities		**79,901**	**-**
Net increase in cash and cash equivalents		(3,609,003)	20,880,498
Net foreign exchange difference		(2,124)	-
Cash and cash equivalents at beginning of year	**31**	59,491,468	38,610,970
Cash and cash equivalents at end of year	**31**	**55,880,341**	**59,491,468**

The notes on pages 20 to 93 form an integral part of these financial statements

		2021 Frw'000	2020 Frw'000
1.	**Interest income**		
	Cash and balances with banks	127,753	761,654
	Loans and advances	4,736,712	3,755,404
	- Eurobond	1,103,886	948,485
	- Treasury Bills	1,392,598	1,211,763
	- Treasury Bonds	2,004,598	637,450
		9,365,527	**7,314,756**
2.	**Interest expense**		
	Deposit from financial institutions	35,600	322,881
	Customer deposits	1,485,857	870,250
	Interest bearing borrowings	308,723	-
		1,830,180	**1,193,131**
3.	**Fees and commissions**		
(i)	Fee and commission income		
	Commission on turnover and handling commission	1,597,647	1,444,412
	Commission on bills and letters of credit	52,073	49,918
	Commission on virtual products	204,636	72,458
	Commission on foreign currency denominated transactions	140,363	157,581
	Card related commissions	412,645	307,504
	Retail account charges	118,137	107,994
		2,525,501	**2,139,867**
(ii)	Fee and commission expense		
	Commission and fees paid to other banks	-	(205)
	Maintenance fees	(86,931)	(66,979)
		(86,931)	(67,184)
	Net fee and commission income	**2,438,570**	**2,072,683**
4.	**Net foreign exchange income**		
	Gain on foreign exchange translation	1,790,610	2,229,616
		1,790,610	**2,229,616**

This is composed of trading income and revaluation gain/(loss) from foreign currency denominated assets and liabilities.

5. Other Operating Income/(Loss)

	2021 Frw'000	2020 Frw'000
Gain/(loss) on disposal of property and equipment	-	14,522
Rent income	1,181	1,904
Other financial income	33,433	200,844
	34,614	**217,270**

Other operating income dropped due to one off transactions in 2020 with no repeat in 2021

6. Impairment charge on credit risk facilities

	2021 Frw'000	2020 Frw'000
Additional impairment charge on credit facilities (Note 14)	(26,391)	(83,732)
Recoveries on amounts previously provided for	50,000	7,497
Recoveries on amounts previously written off	-	36,326
ECL on off balance sheet items	(159,994)	(2,415)
	(136,385)	**(42,324)**

7. Other operating expenses

	2021	2020
Premises and equipment costs	265,358	257,345
Professional fees	296,115	375,300
Insurance	102,318	50,286
Business travel expenses	87,453	32,582
Auditor's remuneration	34,220	40,839
Administrative expenses	1,266,375	837,307
Board expenses	218,991	169,127
Communication expenses	34,998	44,674
Consultancy and IT expenses	791,724	340,184
Public relations and marketing expenses	69,063	22,125
Events, charities and sponsorship	11,596	3,753
Recruitment and training	-	1,814
Periodicals and subscriptions	15,393	12,166
Security expenses	132,891	161,664
	3,326,495	**2,349,166**

The noted decrease is mainly due to different cost cutting initiatives undertaken by management including reduction of CHIC branch size and contract renegotiation with various vendors.

8. Employee benefits

	2021 Frw'000	2020 Frw'000
Salaries and wages	2,940,784	3,071,124
Leave allowance	126,109	119,283
Medical insurance costs	93,917	132,222
Retirement benefit contributions	166,096	75,007
Other employee costs	311,811	96,470
	3,638,717	**3,494,106**

This includes staff emoluments and other staff related expenses incurred by the Bank during the period. 4% increase is largely attributed to new staff recruited at management level and 15% salary increment to professional staff from manager grade and below that was effected during the period.

		2021	2020
9	**a) Income tax expense**	**Frw'000**	**Frw'000**
	Current income tax	1,159,278	1,139,262
	Deferred income tax (Note 25)	211,657	11,039
		1,370,935	**1,150,301**

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

	2021	2020
Profits before income tax	3,135,952	3,293,027
Tax calculated at the statutory income tax rate of 30% (2021: 30%)	940,786	987,908
Tax effect of:		
Expenses not deductible for tax purposes	430,149	282,886
Income not subject to tax	-	(120,493)
Income tax expense	**1,370,935**	**1,150,301**

Expenses not deductible for tax purposes include expenses such as donations, telephone expenses, motor vehicle repairs and maintenance, entertainment and tax asset written off. Income not subject to tax includes reversal of prior year provisions, change in fair value of the derivatives and bad debt recovery.

9. b) Current income tax

	2021	2020
At start of year	594,516	(70,209)
Charge to profit or loss	1,159,278	1,139,262
Tax paid	(1,385,080)	(395,735)
Prior year income tax provision (38)	-	210,754
WHT recoverable	(423,097)	(289,556)
Payable/(Recoverable) at end of year	**(54,383)**	**594,516**

10 Cash and Balances with the National Bank of Rwanda

	2021	2020
Cash in hand	13,025,379	9,850,068
Balances with National Bank of Rwanda	14,543,735	8,662,224
Money market placements	-	8,500,000
Less: Expected credit loss	(1,031)	(24,154)
	27,568,083	**26,988,138**

Cash in hand balances and balances with the National Bank of Rwanda are classified as current assets balances with the National Bank of Rwanda and are non-interest earning.

11 Amounts due from other banks

	2021	2020
Current accounts with other banks	30,063,356	32,041,011
Less: Expected credit loss	-	(16,035)
	30,063,356	**32,024,976**

12 Financial assets

		2021 Frw'000	2020 Frw'000
(i)	Government securities and other bonds		
	Treasury bills	18,178,117	19,814,633
	Treasury bonds	22,372,808	10,227,313
	Euro bonds	18,183,424	18,097,589
	Total investment securities	**58,734,349**	**48,139,535**
	Less: Expected credit loss	(448,264)	(180,288)
		58,286,085	**47,959,247**

The maturity profile of government securities and other bonds is as follows:

	2021	2020
Treasury bills and bonds maturing - Gross:		
- 90 Days from date of acquisition	2,748,800	4,715,900
- 91 days to 1 year from date of acquisition	16,77,700	19,821,987
- 1 year to 5 years from date of acquisition	5,136,700	16,338,927
- 5 years and above from date of acquisition	15,891,725	7,262,720
	40,550,925	**48,139,534**

(ii) ECL Movement table

	2021	2020
As at beginning of the year	(180,288)	(128,659)
Additional ECL	(267,976)	(51,629)
	(448,264)	**(180,288)**

(iii) Equity investments

Unquoted securities

	2021	2020
As at beginning of the year	78,407	78,407
Fair value gain	9,968	-
	88,375	**78,407**

Equity instruments at fair value through other comprehensive income are valued using models which incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

13. Loans and advances to Customers

		2021 Frw'000	2020 Frw'000
(a)	Overdrafts	7,698,241	7,852,199
	Mortgages	9,099,466	6,049,715
	Equipment loans	221,934	99,291
	Consumer loans	10,152,580	11,467,502
	Term loans	5,195,323	6,214,602
	Gross loans and advances	**32,367,543**	**31,683,309**
	Less:		
	- Allowance for expected credit losses-Loans and Advances	(373,429)	(198,837)
	Total	**(373,429)**	**(198,837)**
		31,994,114	**31,484,472**

There were no loans that were restructured during the year.

13 Loans and advances to customers (continued)

Loans and advances to Customers at amortized cost	**Provisions** 12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Settled	Total	**Exposure** 12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Settled	Total
	Frw'mm	**Frw'mm**	**Frw'mm**	**Frw'mm**	**Frw'mm**	**Frw'mm**	**Frw'mm**	**Frw'mm**	**Frw'mm**	**Frw'mm**
Balance at 1 January 2021	**34.94**	**1.70**	**162.19**	-	**198.84**	29,468	1,530	785	-	31,783
Transfer from 12 months ECL (Stage 1)	(29.1)	1.7	1.4	26	-	(10,038)	637	785	8,617	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	27.2	(29.2)	0	2	-	156	(865)	705	5	-
Transfer from Lifetime ECL credit impaired (Stage 3)	-	11.3	(27.3)	16	-	-	75	(178)	103	-
ECL on new and re-measured facilities	53.46	51.8	113.31	(44)	**174.57**	(808)	254	1,182	(8,724)	585
Subtotal ECL on loans and advances	**86.5**	**37.3**	**249.6**	-	**373.4**	**18,778**	**1,630**	**3,279**	**-**	**32,367**

13 Loans and advances to customers (continued)

Guarantees and commitments	**Provisions 12-month ECL (Stage 1) Frw'mm**	**Lifetime ECL not credit impaired (Stage 2) Frw'mm**	**Lifetime ECL credit impaired (Stage 3) Frw'mm**	**Settled Frw'mm**	**Total Frw'mm**	**Exposure 12-month ECL (Stage 1) Frw'mm**	**Lifetime ECL not credit impaired (Stage 2) Frw'mm**	**Lifetime ECL credit impaired (Stage 3) Frw'mm**	**Settled Frw'mm**	**Total Frw'mm**
Balance at 1 January 2021	3.36	0.05	-	-	3.41	10,596	143	-	-	10,739
Transfer from 12 months ECL (Stage 1)	(0.29)	0.03	0.01	0.26	-	(522)	53.6	1.8	466.6	-
Transfer from Lifetime ECL not credit impaired (Stage 2)	-	(0)	-	-	-	-	-	-	-	-
Transfer from Lifetime ECL credit impaired (Stage 3)	-	-	(0)	-	-	-	-	-	-	-
Impairment on off balance sheet facilities originated in the year	3.53	0.57	0.72	(0.26)	4.56	2,071	(171)	(7)	(466.6)	1,387
Subtotal ECL on off balance sheet items	**6.6**	**0.65**	**0.73**	**-**	**7.98**	**12,091**	**25.6**	**8.9**	**-**	**12,126**
Balance as at 31 December 2021	**93**	**38**	**250**		**381.4**	**30,869**	**1,656**	**3,288**	**-**	**44,493**

14 Derivative

	2021 Frw'000	2020 Frw'000
(i) BNR forward receivable		
Principal	1,009,178	-
Accrued interest receivable	105,950	-
	10,202,128	**-**
(ii) BNR forward payable		
Principal	9,867,799	-
Accrued interest receivable	414,230	-
	10,282,029	**-**
Net forward payable	**79,901**	**-**

During the year, the Bank entered into a forward swap agreement with the National Bank of Rwanda where the former gave to the latter USD 10,000,000 in exchange of Frw 9,867,798,640 at an agreed forward rate of Frw 986.779864/USD $1.

The Bank shall be receiving interest of 2% on the USD investment while paying interest of 8% to the National Bank of Rwanda on the Frw received.

As part of this single swap transaction, the bank enjoys FX revaluation gain and places the borrowed amount into LCY investments available in the local market.

The bank does not have a netting of agreement in place with Central Bank of Rwanda to manage the associated credit risk. These netting agreements and similar arrangements generally enable the counterparties to off-set liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate all or a portion of an amount due by applying an amount receivable from the same counterparty against it thus reducing credit exposure
The table below summarises the currency Swaps whose net amounts are presented in the balance sheet

	2021 Frw'000	2020 Frw'000
Forward receivable	10,202,128	-
Forward payable	(10,282,029)	-
Net amount	**(79,901)**	**-**

15 Other assets

	2021	2020
Prepayments	413,410	384,153
Amounts due from VISA and Western Union	9,766	193,680
Access Mobile Push/Pull	367,772	329,119
MTN wallet	302,260	158,549
Deposit guarantees	156,748	152,986
Other receivables	834,871	1,006,665
	2,084,827	**2,225,152**

Main balances under other receivables relate to transfers in transit of Frw 310m and RRA tax receivable of Frw 234m. Other assets balances are non-interest earning and the carrying amount approximate their fair value due to their short-term nature.

		2021 Frw'000	2020 Frw'000
16	**Amount due from related party**		
	Due from Access Bank Plc	452,295	47,519
	Due to Access Bank Plc	(241,454)	-
	Net amount receivable on Access Africa	4,890	173,780
	Net amount due from related party	**215,731**	**221,299**
17	**Right of use assets**		
	Head office	.,313,726	1,846,317
	Remera branch	133,353	187,570
	Chic branch	193,099	22,715
	Rusizi branch	8,170	15,174
	Nyabugogo branch	46,357	112,238
	Musanze branch	12,664	4,923
	KCM branch	-	11,878
		1,707,369	**2,200,815**

There were no additions to the right of use assets during the year. The Bank does not have any right-of-use assets that would meet the definition of investment property.

Extension options are included in a number of property leases. These terms are used to maximize operational flexibility in terms of managing contracts. Most of the extension and termination options held are exercisable only by the Bank and not by the respective lessor.

Discount rate

The single incremental borrowing cost of 6.5% to all branches and head office lease over the remaining lease term.

17 Right of use assets (cont'd)

Below is a movement schedule reconciling movement during the period

Year ended 31 December 2021

	Head office	Remera	CHIC	Rusizi	Nyabugogo	Musanze	KCM	Total
	Frw"000"	Frw"000"	Frw"000"	Frw"000"	Frw"000"	Frw"000"	Frw"000"	Frw"000
01 Jan 2021	1,846,317	187,570	22,715	15,174	112,238	4,923	11,878	2,200,815
Re-measurement	(116,952)	(7,151)	348,629	(1)	(44,485)	15,739	30,618	226,397
Depreciation	(415,639)	(47,066)	(178,245)	(7,003)	(21,396)	(7,998)	(42,496)	(719,843)
31 Dec 2021	**1,313,726**	**133,353**	**193,099**	**8,170**	**46,357**	**12,664**	**-**	1,707,369

Year ended 31 December 2020

	Head office	Remera	CHIC	Rusizi	Nyabugogo	Musanze	KCM	Total
01 Jan 2020	2,298,476	248,232	301,837	22,177	130,439	13,363	27,715	3,042,239
Depreciation	(452,159)	(60,662)	(279,122)	(7,003)	(18,201)	(8,440)	(15,837)	(841,424)
31 Dec 2020	**1,846,317**	**187,570**	**22,715**	**15,174**	**112,238**	**4,923**	**11,878**	**2,200,815**

18 Non-current asset held for sale

In October 2020, the Bank also took possession of 7 properties of customer no 1 in Gahanga Sector, Kicukiro district with a carrying value of Frw 45 Million. In December 2020 the Bank also took possession of the property of customer no. 2 with a value of Frw 250 million and both were classified as non-current assets held for sale as at 31 December 2020 in line with IFRS 5

During the year, the Bank sold the property of customer no. 2 at Frw 300 million with Frw 50 million gain. The Bank still has an intention of disposing off the remaining property and potential buyers are being searched hence still classifies at as held for sale in line with IFRS 5

The below table shows the movement of Non-current asset during the year

	2021 Frw'000	**2021 Frw'000**
Balance as at 01 January	295,101	194,101
Additions	-	295,101
Disposals	(250,000)	(194,101)
As at 31 December	**45,101**	**295,101**

19. Property and Equipment

Year ended 31 December 2021	Land and buildings	IT & electronic equipment	Motor vehicles	Furniture, fittings and equipment	Total
Cost or valuation	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
At start of year	510,100	1,050,008	629,995	1,500,167	3,690,270
Additions	-	302,231	557,740	61,757	921,728
Revaluation	33,200	-	-	-	33,200
Disposals	-	-	-	-	-
At end of year	543,300	1,352,239	1,187,735	1,561,924	4,645,198
Accumulated depreciation					
At start of year	(18,642)	(683,668)	(411,862)	(692,728)	(1,806,900)
Disposals	-	-	-	-	-
Charge for the year	(9,348)	(90,186)	(124,272)	(130,815)	(354,621)
At end of year	(27,990)	(773,854)	(536,134)	(823,543)	(2,161,521)
Net book value	**515,310**	**578,385**	**651,601**	**738,381**	**2,483,677**

During the year, the Bank engaged Integrated Shelter Ltd, an external, independent and qualified valuer to determine the fair value of the company's land and buildings. The external valuations of the level 3 land and buildings were performed using the current Depreciated Replacement Cost (DRC) basis for the improvements loaded with the requisite professional fees; while an Open Market Comparable Method to the land element has been employed to arrive at the Open Market Value (OMV).

The fair value of the land has been derived from observable sales prices of similar land in the local market. The fair value of the building has been determined using the replacement cost approach. The value of the building was determined by reference to its replacement cost or the cost of reinstating it as new of its substitute at the date of valuation. The carrying amount does not materially differ from the fair value of the assets.

19. Property and Equipment(continued)

Year ended 31 December 2020	**Land and buildings**	**IT & electronic equipment**	**Motor vehicles**	**Furniture, fittings and other equipment**	**Total**
Cost or valuation	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
At start of year	510,100	910,618	637,848	1,472,212	3,530,778
Additions	-	139,391	50,000	65,114	254,505
Disposals	-	-	(57,854)	(37,159)	(95,013)
At end of year	510,100	1,050,009	629,994	1,500,167	3,690,270
Accumulated depreciation					
At start of year	(9,321)	(600,477)	(387,011)	(593,718)	(1,590,527)
Disposals	-	-	51,679	33,443	85,122
Charge for the year	(9,321)	(83,191)	(76,530)	(132,453)	(301,495)
At end of year	(18,642)	(683,668)	(411,862)	(692,728)	(1,806,900)
Net book value	**491,458**	**366,341**	**218,132**	**807,439**	**1,883,370**

20. Intangible assets

	2021 Frw'000	2020 Frw'000
Cost		
At start of year	2,014,833	1,818,809
Additions	939,057	196,030
Work in Progress	66,082	-
At end of year	**3,019,972**	**2,014,839**
Accumulated amortisation		
At start of year	(1,128,157)	(1,012,529)
Charge for the year	(149,544)	(115,628)
At end of year	(1,277,701)	(1,128,157)
Net book value	**1,742,271**	**886,682**

Intangible assets relate to computer software licenses.

21 Customer deposits

Current and demand deposits	84,711,611	89,687,307
Savings accounts	25,661,970	21,579,183
Term deposits	17,360,550	8,680,057
	127,734,131	**119,946,547**

Customer deposits only include financial instruments classified as liabilities at amortized cost. Interest bearing deposits are at fixed interest rates determined at contract signing.

The summary of terms and conditions for the various categories of deposits are below:

a) Term deposits - These are high interest-bearing accounts that are opened for a specific period of time at a fixed rate of interest. Funds are fixed on the account for a specified period of time.

Interest is calculated daily and paid only at maturity of the deposits. Interest rates are offered at competitive and attractive rates.

21 Customer deposits (continued)

b) Demand deposits – These are non-interest-bearing accounts that are due on demand. They are operated by both individuals and institutions with the use of a cheque book. They are subject to transaction activity fees and/or monthly maintenance charges.

There are few non-volatile current account deposits that are remunerated at preferential rates agreed between the Bank and the depositors where interest is accrued daily on closing balance based on agreed rate.

c) Savings accounts - These are deposit accounts designed for the average income earners that enable them to save some money and earn interest. The more one saves, the higher the interest they get. Interest on minimum monthly balances is paid into the account on agreed upon interval generally quarterly or annually.

22. Due to National Bank of Rwanda - Economic Recovery Fund	2021	2020
	Frw'000	Frw'000
	381,878	464,169

The National Bank of Rwanda issued a directive governing the operationalization of the Economic Recovery Fund through Banks and other financial institutions to support the recovery of businesses that were negatively affected by Covid-19 pandemic so they can survive and resume operations. The Bank accessed funds from Central Bank at zero interest rate (0%) and finance eligible businesses at an interest rate of 5%. As at 31 December 2021, the Bank had a balance of Frw 381million relating to 3 customers.

23. Other liabilities	2021	2020
	Frw'000	Frw'000
Items in the course of collection	53,909	87,193
Other taxes payable	175,816	136,505
Accrual for bonus	7,440	61,875
Accruals	700,597	180,547
Amounts due to Western Union	5,330	42,176
Provision for commitments and guarantee	1,136	3,410
Provision*	252,161	-
Other payables**	1,624,060	688,111
	2,820,449	**1,199,817**

*Provision balance relates to two elements being legal provision amounting to Frw 110m as well as RSSB Provision for unaudited period 2014-2021 amounting to Frw 142m. Latter has been restated as a prior period error in accordance with the IFRS requirements. Refer to note 38 for details.

**Main balances under other payables include FCUBS payable cost for services rendered during the Core Banking System upgrade amounting to Frw 1bn, Frw 112m for December 2021 PAYE as well as payable to VISA amounting to Frw 502m.

24. Lease liability

	2021 Frw'000	2020 Frw'000
Head office	1,708,316	2,355,099
Remera branch	179,852	239,428
Chic branch	51,903	10,766
Rusizi branch	10,693	18,032
Nyabugogo branch	61,957	127,285
Musanze branch	15,846	6,962
KCM branch	-	16,308
	2,028,567	**2,773,880**

Lease liability as at 31 December 2021 is split between current and non-current portion as follows:

	2021 Frw '000'	2020 Frw '000'
Current	606,783	592,934
Non-current	1,421,785	2,180,946
Total	**2,028,568**	**2,773,880**

The table below shows the reconciliation of lease liability during the period:

	Head Office Frw'000	Remera Frw'000	CHIC Frw'000	Rusizi Frw'000	Nyabugogo Frw'000	Musanze Frw'000	KCM Frw'000	Total Frw'000
1 Jan 2021	2,355,099	239,428	10,766	18,032	127,285	6,962	16,308	2,773,880
Cash payment	(460,598)	(52,203)	(17,022)	(7,339)	(24,116)	(8,326)	(18,667)	(588,270)
Re-measurement	(118,307)	8,941	49,467	-	1	9,711	2,942	(47,246)
Interest expense	(84,847)	(12,943)	(4,511)	(911)	(4,728)	(1,274)	(583)	(109,797)
31 December 2021	**1,691,347**	**183,223**	**38,700**	**9,782**	**98,442**	**7,073**	**-**	**2,028,567**

	Head Office Frw'000	Remera Frw'000	CHIC Frw'000	Rusizi Frw'000	Nyabugogo Frw'000	Musanze Frw'000	KCM Frw'000	Total Frw'000
1 Jan 2020	2,670,964	267,462	122,948	24,910	143,028	13,516	34,736	3,277,564
Cash payment	(191,752)	(20,086)	(109,290)	(5,506)	(7,042)	(5,907)	(16,822)	(356,405)
Interest expense	(124,113)	(7,948)	(2,892)	(1,372)	(8,701)	(647)	(1,606)	(147,279)
31 December 2020	**2,355,099**	**239,428**	**10,766**	**18,032**	**127,285**	**6,962**	**16,308**	**2,773,880**

24. Lease liability (continued)

Expedients

Discount rate
The Single Incremental Borrowing cost of 6.5% to all Branches and Head office lease over the remaining lease term.

25. Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 30% (2020: 30%).

The movement on the deferred tax account is as follows:

	2021 Frw'000	2020 Frw'000
At start of year	404,737	393,698
Charge to income statement (Note 9)	211,657	11,039
Charge to equity	12,823	-
At end of year	**629,217**	**404,737**

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

Year ended 31 December 2021	At 01 January Frw'000	Charged/ (credited) to P&L Frw'000	Charged/ (credited) to OCI Frw'000	At 31 December Frw'000
Deferred income tax liabilities				
Fair value gains on available for sale equity investments	23,522	-	2,863	26,386
Revaluation gains on Property			9,960	9,960
Property and equipment	402,433	214,092	-	616,524
	425,955	214,092	12,823	652,870
Deferred income tax assets				
Provision	(21,218)	(2,435)	-	(23,653)
Net deferred income tax liability	**404,737**	**211,657**	**12,823**	**629,217**
Year ended 31 December 2020				
Deferred income tax liabilities				
Fair value gains on available for sale equity investments	23,522	-	-	23,522
Property and equipment	377,392	25,041	-	402,433
	400,914	25,041	-	425,955
		-	-	
Deferred income tax assets				
Provision	(7,216)	(14,002)	-	(21,218)
Net deferred income tax liability	**393,698**	**11,039**	**14,307**	**404,737**

26. Share capital

	Number of shares	Ordinary Shares Frw '000
1 January 2021 and 31 December 2021	2,846,796	14,233,981

The total authorized number of ordinary shares as at 31 December 2021 is 2,846,796 with a par value of Frw 5,000 per share. All issued shares are fully paid. There was no capital injection from shareholders during the period.

27. Fair value reserve

Fair value reserve relates to gains on revaluation of available for sale equity investments. The reserve is not distributable. Movements on the reserve are shown in the statement of changes in equity.

28. Revaluation reserve

The revaluation reserve represents solely the surplus on revaluation of land and building, net of deferred income tax. Movement of the reserve is shown in the statement of changes in equity.

29. Statutory reserve

Statutory reserves relate to excess provisions on loans and advances that the Bank would have made based on article 26 of regulation No 12/2017 of 23/11/2017 on credit classification and provisioning issued by the National Bank of Rwanda. The reserve is non-distributable. The amount held in the statutory reserve as at 31 December 2021 was Frw 59,718,000

30. Related party transactions

The Bank is controlled by Access Bank Plc, incorporated and domiciled in Nigeria, who are also the ultimate parent of the Bank. There are other companies which are related to Access Bank (Rwanda) Plc through common shareholdings or common directorships.

The Bank enters into transactions, arrangements, and agreements involving directors, senior Management and their related persons in the ordinary course of business. Related-party transactions during the year, outstanding balances at the year-end, and relating expense and income recognized during the year are as follows:

(i) **Deposits from related parties**	**2021 Frw'000**	**2020 Frw'000**
Deposits from key management	144,964	29,857
Deposits from directors	1,850	29,874
	146,814	**59,731**

The deposits from management are repayable on demand. They are not subject to interest payments.

30. Related party transactions (continued)

(ii) Loans and advances to related parties

	2021 Frw'000	2020 Frw'000
Loans and advances to key management personnel	225,001	35,585
Loans and advances to directors	80,978	73,237
At end of year	**305,979**	**108,822**

Loans and advances to staff were issued at an interest rate of 5% for professional staff and 12.5% for support staff and were all performing as at 31 December 2021 and 2020.

The interest income earned on loans to directors and employees during the year was Frw 11,580,000 (2020: Frw 3,719,020).

(iii) Remuneration-directors

	2021 Frw'000	2020 Frw'000
Short term employee benefits:		
Directors remunerations	358,546	324,193
Allowances	218,991	169,127
Total remuneration to directors	**577,537**	**493,320**

(iv) Remuneration-key management personnel

	2021 Frw'000	2020 Frw'000
Key management remuneration	**431,196**	**176,420**

Key management is made of the Managing Director, All Executive Directors, Chief Risk Officer, Chief Operations Officer, Chief Financial Officer, Group Head, Wholesale Banking, Head of Internal Audit and Head of Conduct and Compliance, Head of Human Resource, Head of Legal department and the Head of Treasury.

Movement in remuneration to key management personnel is in line with staffing changes that occurred during the period.

31. Analysis of cash and cash equivalents as shown in the statement of cash flow

	2021	2020
Cash and Central Bank balances (Note 10)	27,568,083	26,988,138
Less: cash reserve requirement	(4,499,898)	(4,237,546)
	23,068,185	22,750,592
Placements with other banks (Note 11)	30,063,356	32,024,976
3 months treasury bills(Note 12)	2,748,800	4,715,900
	55,880,341	**59,491,468**

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than 90 days to maturity from the date of acquisition including: cash and balances with Banks, and other eligible bills, and amounts due from other banks. Cash and cash equivalents exclude the cash reserve requirement held with the National Bank of Rwanda.

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

32. Off balance sheet financial instruments, contingent liabilities and commitments

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

Contingent liabilities	2021 Frw'000	2020 Frw'000
Acceptances and letters of credit	1,585,100	3,201,268
Guarantees	3,352,591	4,608,604
Commitments (Visa +OD)	7,188,365	2,929,332
	12,126,056	**10,739,204**

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

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

Nature of commitments

Commitments to lend are agreements to lend to a customer in future subject to certain conditions. Such commitments are normally made for a fixed period. The Bank may withdraw from its contractual obligation for the undrawn portion of agreed overdraft limits by giving reasonable notice to the customer. The undrawn commitment as at 31 December 2021 stood at Frw 7.2bn (2020: Frw 2.9bn)

33 Classification of financial instruments

The table below sets out the Bank's classification of each class of financial assets ,liabilities and their carrying amount.

	FVTP&L Frw'000	Amortized cost Frw'000	FVTOCI Frw'000	Total Frw'000
Year ended 31 December 2021				
Financial assets				
Cash and balances with the National Bank of Rwanda (Note 11)	-	27,568,083	-	27,568,083
Amounts due from other banks (Note 12)	-	30,063,356	-	30,063,356
Government securities (Note 13(i)	-	58,286,085	-	58,286,085
Equity investments (Note 13(ii)	-	-	88,375	88,375
Derivative gross receivable (Note 15(i)	-	10,202,128	-	10,202,128
Loans and advances to customers (Note 14)	-	31,994,114	-	31,994,114
Other assets (Note 16)	-	2,084,827	-	2,084,827
Total financial assets	**-**	**160,198,593**	**88,375**	**160,286,968**
Financial liabilities				
Customer deposits (Note 21)		127,734,131	-	127,734,131
Derivative gross payable		10,282,029	-	10,282,029
Other liabilities (Note 23)	-	2,820,449	-	2,820,449
Total financial liabilities	**-**	**140,836,609**	**-**	**140,836,609**
Year ended 31 December 2020				
Financial assets				
Cash and balances with the National Bank of Rwanda (Note 11)	-	26,988,138	-	26,988,138
Amounts due from other banks (Note 12)	-	32,024,976	-	32,024,976
Government securities (Note 13(i)	-	47,959,247	-	47,959,247
Equity instruments (Note 13(ii)	-	-	78,407	78,407
Loans and advances to customers (Note 14)	-	31,584,397	-	31,584,397
Other assets (Note 16)	-	2,225,152	-	2,225,152
Total financial assets	**-**	**140,781,910**	**78,407**	**140,860,317**
Financial liabilities				
Customer deposits (Note 22)		119,946,547	-	119,946,547
Other liabilities (Note 23)	-	1,410,570	-	1,410,570
Total financial liabilities	**-**	**121,357,117**	**-**	**121,357,117**

34. Financial risk management

The Bank defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors. As such, the core functions of the Bank's risk management function are to identify the significant risks that the Bank is exposed to, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The overall goal of the Bank's risk management policies is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance.

Risk management is carried out by the bank's Head of Risk, under the supervision of the Board Risk committee and the Managing Director (the "parties"). The parties execute their risk management roles under policies approved by the Board of Directors. The parties identify, evaluate and manage financial risks in close co-operation with the Bank's operating units.

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

34.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. 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.

The Bank is also exposed to other credit risks arising from investments in debt securities and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team, which reports to the Board of Directors through the Managing Director and head of each business unit regularly.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.

The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

34. Financial risk management (Continued)

34.1 Credit risk (continued)

(i) Credit risk measurement

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

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

(a) Credit risk grading

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

The Bank's internal ratings scale

Regulatory rating	Bank's rating	Description of the grade
I	I	Performing
II	II	Watch
III	III	Substandard
IV	IV	Doubtful
V	V	Loss

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.

34. Financial risk management (continued)

34.1 Credit risk (continued)

(i) Credit risk measurement (continued)

(a) Loans and advances (including commitments and guarantees) (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 Bank'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%.

34. Financial risk management (continued)

34.1 Credit risk (continued)

34.1.2. Expected credit loss measurement

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

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

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

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

34. Financial risk management (continued)

34.1 Credit risk (continued)

34.1.3 Significant increase in credit risk (SICR)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:
Qualitative criteria:

If the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last 12 months
- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR is performed on a monthly basis at a portfolio level for all financial instruments held by the Bank. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Definition of default and credit-impaired assets

The Bank defines a financial asset 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

34. Financial risk management (continued)

34.1 Credit risk (continued)

34.1.3 Significant increase in credit risk (SICR) (continued)

The criteria above have been applied to all financial instruments held by the Bank 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 Bank'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.

34.1.4. 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.
- EAD is based on the amounts the Bank 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 Bank 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 Bank'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.

34. Financial risk management (continued)

34.1 Credit risk (continued)

34.1.4 Measuring ECL — Explanation of inputs, assumptions and estimation techniques(continued)

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. Early repayment/refinance assumptions are also incorporated into the calculation.
- 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 Bank'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.

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 35.1.5 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.

The Company has not followed an overall blanket approach to the ECL impact of COVID-19 (where COVID-19 is seen as a significant increase in credit risk (SICR) trigger that will result in the entire portfolio of advances moving into their respective next staging bucket). To that effect, the Bank incorporated qualitative factors to assess significant increase in credit risk on these loans as below:

- All loans whose business activity, in our assessment, was significantly lower than the pre-COVID period as at 31 December 2021, was considered to have a significant increase in credit risk and downgraded by one Stage lower.
- Loans in high risk industry segments (see the section “Restructuring” below) were assessed for significant increase in credit risk.

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.

34. Financial risk management (continued)

34.1 Credit risk (continued)

34.1.4 Measuring ECL — Explanation of inputs, assumptions and estimation techniques(continued)

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

However, on the onset of the COVID-19 pandemic, the impact of the containment measures on the economy made it imperative for the Bank to support its customers. The Bank's view is that the economic impacts of the pandemic will be felt for a period of three to five years before there is full recovery. The Bank therefore accommodated its customers to cushion them from the economic downturn by rescheduling their loan facilities for a period of 6 months to 36 months. The length of the period of accommodation depended on the impact of the pandemic on the industry in which the customer operates. The Bank segregated the loan book into low risk, medium risk and high risk based on the industry. For example, Agriculture was rated as low risk, Mining as medium risk and Tourism and Hospitality and Real Estate as High Risk. The Bank then accommodated for different periods depending on the level of risk. During the year, all rescheduled facilities had been cleared and those that were given moratorium under ERF, only two remains and are all performing well.

34.1.5 Forward-looking information incorporated in the ECL model

Forward-looking information incorporated in the ECL model
The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Assets and Liabilities Committee (ALCO) and consideration of a variety of external actual and forecast information, the Bank formulates a base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two additional economic scenarios and considering the relative probabilities of each outcome.

External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Bank operates, supranational organisations such as the International Monetary Fund (IMF), World Bank and selected private-sector and academic forecasters.

The base case represents a most-likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables, credit risk and credit losses. The economic scenarios used as at 31 December 2021 included the following ranges of key indicators:

- Consumer Price Index
- Average commercial bank lending rate
- 91 day T-bill rate
- Repo rates

The correlation of the above factors with the Bank's non-performing loans (NPL %) were also used to determine whether these factors should be lagged.

34. Financial risk management (continued)

34.1 Credit risk (continued)

34.1.5 Forward-looking information incorporated in the ECL model (continued)

Incorporation of forward-looking information (continued)

Based on this analysis,

CPI was lagged by 10 months while average lending rate, 91 Day T-bills were lagged by 4 months. Repo rates were lagged by 3 months.

Further, in determining the economic scenarios to be applied, each of the economic variable was adjusted either upside or downside using the historical standard deviation.

In determining the likelihood of each of the three macroeconomic scenarios, a weighting of 57.57% (base case), 12.28% (upside case) and 30% (downside case) were applied. Similar to last year 2020, a downside case of 30% was applied to cushion any effect of COVID 19 pandemic.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets were developed based on analysing historical data over the past 3 to 5 years.

The scenarios "base", "upside" and "downside" were used for all portfolios.

The weightings assigned to each economic scenario at 31 December 2021 were as follows:

	Base	Upside	Downside
Weighting Applied	57.93%	12.07%	30%

The weightings assigned to each economic scenario at 31 December 2020 were as follows:

	Base	Upside	Downside
Weighting Applied	57.57%	12.28%	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.

34. Financial risk management (continued)

34.1 Credit risk (continued)

34.1.6 Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct lending.

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

34. Financial risk management (continued)

34.1 Credit risk (continued)

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

The 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 Bank's maximum exposure to credit risk on these assets.

(i) Loans and advances guarantees commitments

	2021				2020
	Stage 1 Frw'000	**Stage 2 Frw'000**	**Stage 3 Frw'000**	**Total Frw'000**	**Frw'000**
Normal	28,657,020	-	-	28,657,020	29,632,306
Watch	-	1,769,000	-	1,769,000	1,528,586
Non-Performing	-	-	1,941,523	1,941,523	622,342
Gross carrying amount	28,657,020	1,769,000	1,941,523	32,367,543	31,783,234
Credit loss allowance	(86,529)	(37,300)	(249,600)	(373,429)	(198,837)
Carrying amount	**28,570,491**	**1,731,000**	**1,691,923**	**31,994,114**	**31,584,397**

(ii) Guarantees and commitments

Normal	12,090,173		-	12,090,173	10,596,486
Watch		26,250	-	26,250	142,718
Non-Performing			9,633	9,633	
Gross carrying amount	12,090,173	26,250	9,633	12,126,056	10,739,204
Credit loss allowance	(6,600)	(650)	(733)	(7,983)	(3,410)
Carrying amount	**12,083,573**	**25,600**	**8,900**	**12,118,073**	**10,735,794**

(iii) Other financial instruments assets

	2021				2020
	Stage 1 Frw'000	**Stage 2 Frw'000**	**Stage 3 Frw'000**	**Total Frw'000**	**Frw'000**
Cash in hand	13,025,379	-	-	13,025,379	9,850,068
Balances the NBR	14,543,735	-	-	14,543,735	8,662,224
Money market placements	-			-	8,500,000
Placements with Other Banks	30,063,356	-	-	30,063,356	32,024,976
Other assets	2,084,827	-	-	2,084,827	2,225,152
Gross carrying amount	59,717,297	-	-	59,717,297	61,262,420
Credit loss allowance	(1,031)	-	-	(1,031)	(14,586)
Carrying amount	**59,716,266**	**-**	**-**	**59,716,266**	**61,247,834**

34. Financial risk management (continued)

34.1. Credit risk (continued)

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

(iii) Government and other financial securities

	Stage 1	Stage 2	Stage 3	Total	
	12-month ECL	Lifetime ECL	Lifetime ECL	2021	2020
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Normal	58,734,349	-	-	58,734,349	48,053,876
Credit loss allowance	(448,264)	-	-	(448,264)	(94,629)
Carrying amount	**58,286,085**	**-**	**-**	**58,286,085**	**47,959,247**

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loan and advances portfolio and debt securities as the Bank exercises stringent controls over the granting of new loans.

Impaired loans
Impaired loans are loans for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan agreements. These loans are graded 3, 4 and 5 in the Bank's internal credit risk grading system.
Past due but not impaired loans
These are loans where contractual interest or principal payments are past due but the Bank believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the Bank.

34. Financial risk management (continued)

34.1. Credit risk (continued)

34.1.7 Concentrations of risk of financial assets with credit risk exposure

Economic sector risk concentrations within the customer loan portfolios were as follows:

	Construction	Wholesale and retail trade	Manufacturing	Other industries	Total
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Equipment loan	-	44,981	4,798	172,153	221,932
Mortgage loan	45,518	3,341,326	270,003	5,493,700	9,150,547
Overdraft	1,840,374	1,890,079	1,926,788	1,894,259	7,551,500
Personal loan	80,897	1,404,602	167,209	1,961,682	3,614,390
Term loan	320,933	2,652,276	-	2,222,114	5,195,323
Time loan	350,000	5,832,432	-	260,793	6,443,225
W- Power loan	-	6,533	-	37,882	44,415
Visa cards	20,515	62,079	315	71,282	154,191
At 31 December 2021	**2,657,624**	**15,234,308**	**2,369,113**	**12,062,785**	**32,375,523**
Equipment loan	-	-	-	99,291	99,291
Mortgage loan	283,979	1,131,931	-	4,638,348	6,054,258
Overdraft	1,774,090	1,074,478	1,245,564	3,531,726	7,625,857
Personal loan	90,424	484,600	-	2,285,415	2,860,439
Term loan	477,294	1,074,211	317,663	4,358,252	6,227,420
Time loan	1,277,815	1,041,463	-	6,406,644	8,725,922
W- Power loan	-	-	-	39,582	39,582
Visa cards	21,565	4,441	-	124,458	150,465
At 31 December 2020	**3,925,167**	**4,811,123**	**1,563,227**	**21,483,716**	**31,783,234**

Write-off policy

The Bank writes off a loan balance when credit department determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that proceeds from collateral have failed to cover the entire facility outstanding. For smaller balance standardised loans, write-off decisions generally are based on a product specific past due status.

34. Financial risk management (continued)

34.1. Credit risk (continued)

34.1.8 Collateral and other credit enhancement

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

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

Longer-term finance and lending to corporate entities are generally secured. 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 closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial asset balances and related collaterals held in order to mitigate potential losses are shown below:

	Maximum Exposure to Credit Risk Frw"000"	**Cash & Cash Equivalents Frw"000"**	**Inventory Frw"000"**	**Property & Equipment Frw"000"**	**Guarantee Frw"000"**	**Movable assets Frw"000"**	**Total Frw"000"**
-Amounts due from other banks	30,063,356	-	-	-	-	-	-
-Government securities	58,286,085	-	-	-	-	-	-
- Equity instruments	88,375	-	-	-	-	-	-
Other assets	2,084,828	-	-	-	-	-	-
Loans and advances to customers:							-
Corporate	23,132,000	3,470,676	727,749	39,564,330	2,101,621	535,800	46,400,176
Retail	9,243,000	701,000	89,091	17,198,207	6,750	350,227	18,345,275
At 31 Dec 2021	**122,897,644**	**4,171,676**	**816,840**	**56,762,537**	**2,108,371**	**886,027**	**64,745,451**

34. Financial risk management (continued)

34.1. Credit risk (continued)

34.1.8 Collateral and other credit enhancement (continued)

	Maximum Exposure to Credit Risk Frw"000"	Cash & cash Equivalents Frw"000"	Inventory Frw"000"	Property & Equipment Frw"000"	Guarantee Frw"000"	Movable assets Frw"000"	Total Frw"000"
Amounts due from other banks	32,024,976	-	-	-	-	-	-
- Government securities	47,959,247	-	-	-	-	-	-
- Equity instruments	78,407	-	-	-	-	-	-
Other assets	2,225,152	-	-	-	-	-	-
Loans and advances to customers:							
Corporate	22,525,766	6,294,997	2,616,933	29,788,204	2,000,000	31,153,304	94,596,439
Retail	9,058,631	659,383	23,791	22,133,791	-	1,213,613	33,065,766
At 31 December 2020	**113,872,179**	**6,954,380**	**2,640,724**	**51,921,995**	**2,000,000**	**32,366,917**	**127,662,205**

Collateral Policies

It is the Bank's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure, at facility level, by a safety net of tangible and realizable securities including approved third-party guarantees/ insurance.

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that corporate borrowers provide it.

The Bank may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. Because of the Bank's focus on customers' creditworthiness, the Bank does not routinely update the valuation of collateral held against all loans to customers.

Valuation of collateral is updated when the credit risk of a loan deteriorates significantly, and the loan is monitored more closely. For impaired loans, the Bank obtains appraisals of collateral because the current value of the collateral is an input to the impairment measurement.
There are no collaterals held against other financial assets, no repossessed collateral held as security and no collateral sold or re-pledged in the year under review.

34. Financial risk management (continued)

34.2. Liquidity Risk

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

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies.

The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The National Bank of Rwanda requires that the Bank maintains a cash reserve ratio. In addition, the Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

The Treasury department monitors liquidity ratios daily. Sources of liquidity are regularly reviewed by a separate team in the Treasury department to maintain a wide diversification by provider, product and term.

The table below presents the undiscounted cash flows payable by the Bank under financial liabilities by remaining contractual maturities at the balance sheet date and from financial assets by expected maturity dates.

34.2 Financial risk management (continued)

Liquidity Risk (continued)

At 31 December 2021	**Less than 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**Over 5 Years**	**Total**
Liabilities	**Frw ’000**	**Frw ’000**	**Frw ’000**	**Frw ’000**	**Frw ’000**	**Frw ’000**
Customer deposits	97,163,597	1,154,524	31,435,121	-	-	129,753,242
Lease liability	59,542	119,083	538,326	2,028,568	-	2,745,519
Other liabilities	2,820,448	-	-	-	-	2,820,448
Derivative gross payable				11,446,647		11,446,647
Credit risk exposures relating to off-balance sheet items:						
- Acceptances and LCs	-	807,694	777,406	-	-	1,585,100
- Guarantees	1,016,109	814,699	8,505,393	200,017	4,738,	10,540,956
Total financial liabilities (contractual maturity dates)	**101,059,696**	**2,896,000**	**41,256,246**	**13,675,232**	**4,738**	**158,891,912**
Assets						
Cash and balances with National Bank of Rwanda	27,568,083	-	-	-	-	27,568,083
Placements with other banks	30,063,356	-	-	-	-	30,063,356
Loans and advances to customers	966,970	1,022,293	8,502,579	12,768,269	9,114,799	32,374,910
Investment securities						
- Equity investments	-	-	-	-	88,375	88,375
- Government securities	2,861,836	1,000,000	23,025700	6,475,000	25,371,813	58,734,349
Derivative gross receivable				10,504,000		10,504,000
Right of use asset	1,707,369					1,707,369
Other assets	2,084,827	-	-	-	-	2,084,827
Total financial assets (expected maturity dates)	65,252,441	2,022,293	31,528,279	29,747,269	34,574,987	163,125,269
Net liquidity gap	**(35,807,255)**	**(873,707)**	**(9,727,967)**	**16,072,037**	**34,570,249**	**4,233,357**

34. Financial risk management (continued)

34.2. Liquidity Risk (continued)

At 31 December 2020 Liabilities	**Less than 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**
Customer deposits	89,930,528	1,068,579	29,095,022	-	-	120,094,129
Lease liability	-	196,774	554,496	2,411,989	8,074	3,171,333
Other liabilities	1,042,763	-	-	-	-	1,042,763
Credit risk exposures relating to off-balance sheet items:						
- Acceptances and LCs	38,899	1,833,286	1,329,084	-	-	3,201,269
- Guarantees	320,013	316,345	3,347,833	624,413	-	4,608,604
Total financial liabilities (contractual maturity dates)	**91,332,203**	**3,414,984**	**34,326,435**	**3,036,402**	**8,074**	**132,118,098**
Assets						
Cash and balances with National Bank of Rwanda	26,988,138	-	-	-	-	26,988,138
Placements with other banks	32,024,976	-	-	-	-	32,024,976
Loans and advances to customers	4,984,090	1,898,178	11,664,809	9,593,492	4,218,266	32,358,835
Investment securities						
- Equity investments	-	-	-	-	78,407	78,407
- Government securities	9,455,636	5,630,400	14,702,135	10,908,356	7,262,720	47,959,247
Other assets	2,200,815					2,200,815
Right of use asset	2,225,152	-	-	-	-	2,225,152
Total financial assets (expected maturity dates)	77,878,807	7,528,578	26,366,944	20,501,849	11,559,393	143,835,570
Net liquidity gap	**(13,453,396)**	**4,113,594**	**(7,959,491)**	**17,465,446**	**11,551,319**	**11,717,472**

34. Financial risk management (continued)

34.3 Market risk

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

(i) Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily. The tables below summarise the Bank's exposure to interest rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Bank does not bear an interest rate risk on off balance sheet items. All figures are in thousands of Rwandan Francs.

34. Financial risk management (continued)

34.3 Market risk (continued)

(i) Interest rate risk (continued)

At 31 December 2021	**Less than 1 month Frw '000**	**1-3 months Frw '000**	**3-12 months Frw '000**	**1-5 Years Frw '000**	**Over 5 Years Frw '000**	**Non-interest bearing Frw '000**	**Total Frw '000**
Liabilities							
Customer deposits	423,920	1,509,103	43,108,608	-	-	84,711,611	129,753,242
Derivative gross payable	-	-	-	11,446,647	-	-	11,446,647
Lease liability	59,542	119,083	538,326	2,028,568	-	-	2,745,519
Total financial liabilities	**483,462**	**1,628,186**	**43,646,934**	**13,475,215**	**0**	**84,711,611**	**143,945,408**
Assets							
Cash and balances with National Bank of Rwanda	-	-	-	-	-	27,568,083	27,568,083
Placements with other banks	30,063,356	-	-	-	-	-	30,063,356
Loans and advances to customers	966,970	1,022,293	8,502,579	12,768,269	9,114,799	-	32,374,910
Investment securities							
- Equity investments	-	-	-	-	-	88,375	88,375
- Government securities	2,861,836	1,000,000	23,025700	6,475,000	25,371,813	-	58,734,349
Derivative gross receivable	-	-	-	10,956,705	-	-	10,956,705
Other assets	-	-	-	-	-	2,084,827	2,084,827
Total financial assets	33,892,162	2,022,293	31,528,279	30,199,974	34,486,612	29,741,285	161,870,605
Interest re-pricing gap	**33,408,700**	**394,107**	**(12,118,655)**	**16,724,759**	**34,486,612**	**(54,970,326)**	**17,925,197**

34.3 Market risk (continued)

(i) Interest rate risk (continued)

At 31 December 2020 Liabilities	**Less than 1 month Frw '000**	**1-3 months Frw '000**	**3-12 months Frw '000**	**1-5 Years Frw '000**	**Over 5 Years Frw '000**	**Non-interest bearing Frw '000**	**Total Frw '000**
Customer deposits	300,173	1,068,579	29,095,022	-	-	89,630,355	120,094,129
Other liabilities	-	-	-	-	-	1,042,763	1,042,763
Lease liability	-	196,774	554,496	2,411,988	8,074	-	3,171,333
Total financial liabilities	**300,173**	**1,265,353**	**29,649,518**	**2,411,988**	**8,074**	**90,673,118**	**124,308,225**
Assets							
Cash and balances with National Bank of Rwanda	-	-	-	-	-	26,988,138	26,988,138
Placements with other banks	32,024,976	-	-	-	-	-	32,024,976
Loans and advances to customers	4,531,576	1,898,178	11,541,722	9,593,492	4,218,266	-	31,783,234
Investment securities							
- Equity investments	-	-	-	-	-	78,407	78,407
- Government securities	9,455,636	5,630,400	14,702,135	10,908,356	7,262,720	-	47,959,247
Other assets	-	-	-	-	-	2,225,152	2,225,152
Total financial assets	46,012,188	7,528,578	26,243,857	20,501,848	11,480,986	29,291,697	141,059,154
Interest re-pricing gap	**45,712,015**	**6,263,225**	**(3,405,661)**	**18,089,860**	**11,472,912**	**(61,381,421)**	**16,750,929**

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

Sensitivity analysis:	Frw '000'
31 December 2021 (+/-) 2%	(+/-)823,741
31 December 2021 (+/-) 2%	(+/-) 716,623

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

34. Financial risk management (continued)

34.3 Market risk (continued)

(ii) Currency risk

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

The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2021 and 2020. Included in the table are the Bank's financial instruments, categorised by currency:

At 31 December 2021	Frw '000'	USD Frw'000'	Euro Frw '000'	GBP Frw '000'	Total Frw '000'
Assets					
Cash balances	12,828,594	12,444,657	1,997,276	297,556	27,568,083
Placements with other banks	-	28,210,346	137,452	1,709,082	30,063,356
Loans and advances to customers	30,779,295	1,214,819	-	-	31,994,114
BRN forward receivable	-	10,202,128	-	-	10,202,128
Government securities	40,102,661	18,183,424	-	-	58,286,085
Equity instruments	88,375	-	-	-	88,375
Total assets	83,798,925	70,255,374	2,134,728	2,006,638	158,202,141
Liabilities					
BNR forward payable	10,282,029				10,282,029
Customer deposits	53,254,001	70,081,314	2,393,905	2,004,911	127,734,131
Total liabilities	63,536,030	70,081,314	2,393,905	2,004,911	138,016,160
Net on-balance sheet position	**20,262,895**	**174,060**	**(259,177)**	**1,727**	**20,185,981**
At 31 December 2020					
Assets					
Cash balances	13,705,303	11,002,327	2,245,350	35,158.2	26,988,138
Placements with other banks	2,835	29,913,309	851,540	1,257,292	32,024,976
Loans and advances to customers	25,795,098	5,689,374	-	-	31,484,472
Government securities	30,039,711	17,919,536	-	-	47,959,247
Equity instruments	78,407	-	-	-	78,407
Total assets	**69,621,354**	**64,524,546**	**3,096,890**	**1,292,450**	**138,535,240**
Liabilities					
Customer deposits	49,614,559	65,946,776	3,110,950	1,253,597	119,925,882
Total liabilities	49,614,559	65,946,776	3,110,950	1,253,597	119,925,882
Net on-balance sheet position	**20,006,795**	**(1,422,230)**	**(14,060)**	**38,853**	**18,609,358**

34. Financial risk management (continued)

34.3 Market risk (continued)

(ii) Currency risk (cont'd)

The following table presents sensitivities of profit or loss to reasonably possible changes in exchange rates applied at the end of the reporting period relative to functional currency of the Bank, with all variables held constant:

	2021 Frw'000	2020 Frw'000
USD strengthens by 5%	(8,703)	(71,112)
GBP strengthens by 5%	86	1,943
Euro strengthens by 5%	(12,959)	(703)
Impact on pre-tax profit	(4,170)	(69,872)

34.4 Capital management

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

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

34. Financial risk management (continued)

34.4 Capital management (continued)

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

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

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

The Central Bank requires each bank to:

a) hold the minimum level of regulatory capital of Frw 20 billion
b) maintain a ratio of total regulatory capital to the risk-weighted assets plus risk-weighted off-balance sheet assets (the 'Basel ratio') at or above the required minimum of 10%; and
c) Maintain total capital of not less than 15% of risk-weighted assets plus risk-weighted off-balance sheet items.

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

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

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank 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.

34. Financial risk management (continued)

34.4 Capital management (continued)

The table below summarises the composition of regulatory capital and the ratios of the Bank at 31 December 2021 and 2020 determined in accordance with National Bank of Rwanda regulatory No.06/2017.

	2021 Frw'000	2020 Frw'000
Core capital (Tier 1)		
Ordinary share capital	14,233,981	14,233,981
Reserves:		
Retained earnings	7,949,390	6,071,333
Less:		
Intangible assets	(1,742,271)	(886,682)
Total tier 1 capital	**20,441,100**	**19,418,632**
Supplementary capital (Tier 2)	148,287	118,228
Total capital (Tier 1 and Tier 2)	**20,589,387**	**19,536,860**

The risk weighted assets are measured by means of a hierarchy of four risk categories classified according to the nature of the asset and reflecting an estimate of the credit risk associated with each asset and counterparty, taking into account any eligible collateral or guarantees.
A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

34. Financial risk management (continued)

34.4 Capital management (continued)

The table below summarises the composition of the risk weighted assets of the Bank at 31 December 2021:

	Balance sheet amount		%	Risk weighted amount	
	2021	2020		2021	2020
	Frw '000	Frw '000		Frw '000	Frw '000
Balance sheet assets (net of provisions)					
Cash and balances with National Bank of Rwanda	27,568,083	26,988,138	0%	-	-
Amounts due from other banks	30,063,356	32,024,976	20%	6,012,671	6,404,995
Loans and advances to customers	31,994,114	31,484,473	100%	31,994,114	31,484,472
Investment securities:					
Government securities:					
Treasury bills	18,178,117	19,720,004	0%	-	-
Euro bond	18,183,424	17,917,301	100%	18,183,424	
Bonds	21,924,544	10,321,942	100%	22,372,808	28,239,243
Equity investments available for sale	88,375	78,407	100%	88,375	78,407
Property and equipment	2,483,677	1,883,370	100%	2,483,677	1,883,370
Intangible assets	1,742,271	886,682	100%	1,742,271	886,682
Current income tax	54,383	-	100%	93,855	-
Other assets	2,084,828	2,225,152	100%	2,084,828	2,225,152
Non-current asset held for sale	45,101	295,101	100%	45,101	295,101
Amount due from related party	215,731	221,299	100%	215,731	221,299
Right of use asset	1,707,369	2,200,815	100%	1,707,369	2,200,815
On balance sheet assets	**156,333,372**	**146,247,660**		**87,024,224**	**73,919,536**
Off-balance sheet positions					
Acceptances and letters of credit	1,585,100	3,201,268	100%	1,585,100	3,201,268
Guarantees	10,540,956	4,608,604	25%	2,635,239	1,152,151
Off balance sheet items	12,126,056	7,809,872		4,220,339	4,353,419
Total risk-weighted assets	**166,459,428**	**154,057,532**		**91,244,563**	**78,272,955**

Capital ratios per regulation No. 06/2017	2021	2020
Core capital	22.78%	26.4%
Total capital	22.94%	26.56%
Regulation No. 06/2017 minimum ratio capital requirement		
Core capital	10%	10%
Total capital	15%	15%

34. Financial risk management (continued)

34.5 Fair value measurement

Accounting classifications at carrying amounts and fair values

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

34. Financial risk management (continued)

34.5 Fair value measurement

Accounting classifications at carrying amounts and fair values (continued)

Company	**Carrying amounts**						**Fair value**		
31 December 2021	**Non financial assets**	**Financial assets at amortised cost**	**Financial assets at FVOCI**	**Financial assets at FVTPL**	**Other financial liabilities**	**Total**	**Level 2**	**Level 3**	**Total**
	Frw'000	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Financial assets									
Balances with Central Bank of Rwanda	-	27,568,083	-	-	-	**27,568,083**	27,568,083	-	**27,568,083**
Financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	88,375	-	-	**88,375**	-	88,375	**88,375**
Other financial assets at amortised cost	-	58,286,085	-	-	-	**58,286,085**	58,286,085	-	**58,286,085**
Property and equipment	1,968,367	-	-	-	-	**1,389,981**	1,389,981	-	**1,389,981**
Land and building	515,310					**515,310**	515,310		515,310
Loans and advances to customers	-	31,994,114	-	-	-	**31,994,114**	31,994,114 -	-	**31,994,114**
Other assets	-	2,084,827	-	-	-	**2,084,827**	2,084,827	-	**2,084,827**
	2,483,677	**119,933,108**	**88,375**	**-**	**-**	**121,926,774**	**121,838,400**	**88,375**	**121,926,775**
Financial liabilities									
Deposits from customers	-	-	-	-	127,734,131	**127,734,131**	-	127,734,131	127,734,131
Other liabilities		-	-	-	2,820,449	**2,820,449**	-	2,820,449	2,820,449
	-	**-**	**-**	**-**	**130,554,580**	**130,554,580**	**-**	**130,554,579**	**130,554,580**

34. Financial risk management (continued)

34.5 Fair value measurement

Company	**Carrying amounts**						**Fair value**		
31 December 2020	**Non financial assets**	**Financial assets at amortised cost**	**Financial assets at FVOCI**	**Financial assets at FVTPL**	**Other financial liabilities**	**Total**	**Level 2**	**Level 3**	**Total**
	Frw'000	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**	**Frw'000**
Financial assets									
Balances with Central Bank of Rwanda	-	26,988,138	-	-	-	**26,988,138**	26,988,138	-	**26,988,138**
Financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	78,407	-	-	**78,407**	-	78,407	**78,407**
Other financial assets at amortised cost	-	47,959,247	-	-	-	**47,959,247**	42,806,232	-	**42,806,232**
Property and equipment	1,391,911					**1,391,911**	1,391,911		1,391,911
Land and building	491,459					**491,459**	491,459		491,459
Loans and advances to customers	-	31,484,472	-	-	-	**31,484,472**	31,484,472	-	**31,484,472**
Other assets	-	2,225,152	-	-	-	**2,225,152**	2,225,152	-	**2,225,152**
	1,883,370	**108,657,009**	**78,407**	**-**	**-**	**110,618,786**	**105,387,364**	**78,407**	**105,465,771**
Financial liabilities									
Deposits from customers	-	-	-	-	119,925,882	**119,925,882**	-	119,925,882	119,925,882
Other liabilities		-	-	-	1,042,763	**1,042,763**	-	1,042,763	1,042,763
	-	**-**	**-**	**-**	**120,968,645**	**120,968,645**	**-**	**120,968,645**	**120,968,645**

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Investment securities – Fair Value through Other Comprehensive Income	Market based valuation technique	Net asset value and last equity transaction on the shares	Not applicable

35. CORPORATE INFORMATION

Access Bank (Rwanda) Plc (the Bank) is a financial institution licensed to provide corporate and retail banking services to corporate, small and medium size enterprises and retail customers in various parts of Rwanda. The Bank is a limited liability bank incorporated and domiciled in Rwanda. The Bank is controlled by Access Bank Plc, incorporated and domiciled in Nigeria, who are also the ultimate parent of the Bank.

36. ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment – measured using the revaluation model. The financial statements are presented in Rwandan Francs (Frw) which is the functional and reporting currency and all values are rounded to the nearest thousand (Frw'000) except when otherwise indicated.

Compliance with IFRS
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IC) applicable to companies reporting under IFRS.

36.1 Critical accounting estimates and judgements in applying accounting policies

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

Going concern

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

36. **ACCOUNTING POLICIES (continued)**

36.1 Critical accounting estimates and judgements in applying accounting policies (continued)

Measurement of the expected credit loss allowance

The Bank reviews its financial assets measured at amortised cost to assess impairment at least on a quarterly basis. In determining whether expected credit loss allowance should be recorded in the income statement, the bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows and establish the number and relative weightings of forward-looking scenarios.

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).

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.

In addition to the measurement of impairment losses on loans and advances in accordance with International Financial Reporting Standards as set out above, the Bank is also required by the National Bank of Rwanda (NBR) Instruction No. 12/2017 of 23/11/2017 to estimate losses on loans and advances.

Where provisions determined using IFRS are lower than provisions determined using this regulation, the difference shall be treated as an appropriation from retained earnings and placed in a non-distributable reserve.

Where provisions determined under IFRS are higher than those determined using this regulation, they will be considered to be adequate for the purpose of this regulation.

Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

36. ACCOUNTING POLICIES (continued)

36.1 Critical accounting estimates and judgements in applying accounting policies (continued)

Tax expenses

The Bank is subject to income taxes under the Rwanda Income Tax Act. Significant judgements are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and the deferred tax provisions in the period in which such determination is made.

Lease term

The Bank adopted IFRS 16 for the period beginning on or after 1 January 2019. Consistent to prior period, Management has made an assessment and noted that assumptions on lease term that were made on adoption are still relevant hence no changes to the assumptions were made during the period.

Had the lease term been lengthened/shortened by 1 year, the impact on profit before tax would have been +/- Rwf 2,861,701. Had the incremental borrowing rate been increased/decreased by 1%, the impact on profit before tax would have been Rwf 1,463,306
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36.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the bank

The following standards and amendments have been adopted by the bank for the first time for the year beginning 1 January 2021

Number	Effective date	Executive summary
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	Annual periods beginning on or after 1 January 2021 (Published August 2020)	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 June 2020 (early adoption is permitted) (Published June 2020)	The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

36.2 Changes in accounting policies and disclosures (cont'd)

(b) New and amended standards issued not yet effective or early adopted by the Bank

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17. (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.

36.2 Changes in accounting policies and disclosures (cont'd)

(b) New and amended standards issued not yet effective or early adopted by the Bank

Number	Effective date	Executive summary
Amendment to IFRS 3, 'Business combinations' Asset or liability in a business combination clarity	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
Amendments to IAS 16 'Property, Plant and Equipment': Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Annual improvements cycle 2018 - 2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. • IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. • IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the

36.2 Changes in accounting policies and disclosures (cont'd)

(b) New and amended standards issued not yet effective or early adopted by the Bank

Number	Effective date	Executive summary
		lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. • IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2022 (Published Jan 2020)	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

36.2 Changes in accounting policies and disclosures

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

(c) Summary of significant 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.

(i) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within ‘interest income’ or ‘interest expense’ in the statement of comprehensive income using the effective interest method.

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

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

36.2 Changes in accounting policies and disclosures (continued)

(b) Summary of significant accounting policies (continued)

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

(iii) Foreign currency translation

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Rwanda Francs ("Frw") which is the Bank's functional currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.
Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the reporting date. All translation gains and losses arising on non-trading activities are taken to 'Other operating income' in the statement of profit or loss.
Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(iv) Financial assets and liabilities

Financial assets

(a) 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.

36.2 Changes in accounting policies and disclosures (continued)

(c) Summary of significant accounting policies (continued)

(iv) Financial assets and liabilities (continued)

For purchased or originated credit-impaired (`POCI') financial assets — assets that are credit-impaired at initial recognition — the Bank 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 the Bank 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 is calculated by applying the effective interest rate to the gross carrying amount of financial asset, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset
- 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 amortized cost (i.e net of the expected credit loss provision)

(b) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Bank 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 the Bank commits to purchase or sell the asset.

At initial recognition, the Bank 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. 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.

b) 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.

36.2 Changes in accounting policies and disclosures (continued)

(c) Summary of significant accounting policies (continued)

(iv) Financial assets and liabilities (continued)

(c) Classification and subsequent measurement

The Bank 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)the Bank's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three 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 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.

36.2 Changes in accounting policies and disclosures (continued)

(c) Summary of significant accounting policies (continued)

(iv) Financial assets and liabilities (continued)

(c) Classification and subsequent measurement (continued)

Debt instruments (continued)

Business model: the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.
SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Bank 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Bank 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 issuer’s net assets. Examples of equity instruments include basic ordinary shares.

The bank subsequently measures all equity investments at fair value through profit or loss, except where the bank’s management has elected, at initial recognition, to irrevocably designate an equity investment as fair value through other comprehensive income. The bank’s policy is to designate equity instruments at FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gain and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal.

36.2 Changes in accounting policies and disclosures (continued)

(c) Summary of significant accounting policies (continued)

(iv) Financial assets and liabilities (continued)

(c) Classification and subsequent measurement (continued)

Equity instruments (continued)

Impairment losses (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 recognized in profit or loss as other income when the bank'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

The Bank assess on a forward-looking basis the expected credit losses ('ECL') associated with its debts instrument asset carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognizes 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

(iii) Modification of loans

The Bank sometimes re-negotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assess whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay
- Whether any substantial new terms are introduced such as 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.

36.2 Changes in accounting policies and disclosures (continued)

(b) Summary of significant accounting policies (continued)

(iv) Financial assets and liabilities (continued)

(c) Classification and subsequent measurement (continued)

(iii) Modification of loans (continued)

If terms are substantially different, the Bank derecognises the original financial assets and recognizes a ‘new’ asset at fair value and recalculated a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition of impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes 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).

(d) 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) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

36.2. Changes in accounting policies and disclosures (continued)

(c) Summary of significant accounting policies (continued)

(iv) Financial assets and liabilities (continued)

(d) Derecognition other than on a modification (continued)

The Bank 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 the Bank:
(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Bank 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 the Bank retains a subordinated residual interest.

Financial liabilities

(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, the Bank 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 the Bank 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.

36.2 Changes in accounting policies and disclosures (continued)

(c) Summary of significant accounting policies (continued)

(iv) Financial assets and liabilities (continued)

(c) Classification and subsequent measurement (continued)

Financial liabilities (continued)

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 the Bank are measured as the amount of the loss allowance. The Bank 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 the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are 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.

36.2 Changes in accounting policies and disclosures (continued)

(c) Summary of significant accounting policies (continued)

v) Property and equipment

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity (every 3 years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve, all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	40 years
IT & electronic equipment	4 years
Motor vehicles	4 years
Furniture, fittings and equipment	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

36.2. Changes in accounting policies and disclosures(continued)

(c) Summary of significant accounting policies (continued)

vi) Intangible assets

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

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

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

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives. Software has a maximum expected useful life of 10 years.

vii) Income tax

The tax expense for the period comprises current and deferred income tax. 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.

viii) Current income tax

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

36.2 Changes in accounting policies and disclosures(continued)

c) Summary of significant accounting policies (continued)

ix) Deferred income tax

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

x) Leases
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

36.2 Changes in accounting policies and disclosures(continued)

d) Summary of significant accounting policies (continued)

xi) Cash and cash equivalents

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

xii) Retirement benefit obligations

The Bank and all its employees also contribute to the Social Security Fund of Rwanda and to a separate private pension scheme with Sonarwa Life Insurance, which are defined contribution schemes. A defined contribution plan is a retirement benefit plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Bank’s contributions to the defined contribution schemes are charged to the statement of profit or loss and other comprehensive income in the year in which they fall due.

xiii) Other entitlements

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

xiv) Share capital

Ordinary shares are classified as ‘share capital’ in equity. Any premium received over and above the par value of the shares is classified as ‘share premium’ in equity.

xv) Dividends payable

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

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

36.2 Changes in accounting policies and disclosures(continued)

e) Summary of significant accounting policies (continued)

xvi) Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements (within ‘Other payables’) at fair value, being the premium received. Subsequent to initial recognition, the Bank’s liability under each guarantee is measured at the higher of the amount initially recognised less, when appropriate, cumulative amortisation recognised in profit or loss, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee in terms of IAS 37.

Any increase in the liability relating to financial guarantees is recorded in profit or loss. The premium received is recognised in profit or loss in ‘Net fees and commission income’ on a straight-line basis over the life of the guarantee.

xvii) Acceptances and letters of credit

Acceptances and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

xviii) Repossessed properties

In certain circumstances, property is repossessed following the foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within ‘Other assets.

37. Contingent liabilities

The Bank is a defendant in a legal suit lodged by plaintiff “X” for not honoring a notification sent by its correspondent bank on 24 July 2019 to withhold the funds on Customer “Y” (Bank’s customer) bank account.

The directors are of the position that, the Bank was not aware of the contract between the two parties and as such it should not be involved in the breach of the contract.

On 07 September 2021 the commercial court ruled against the Bank and issued an order to pay USD 250,000 to the plaintiff “X” plus interest of USD 101.250 and legal costs of Rwf 1.2 million as it was argued that the Bank should not have allowed customer “Y” to withdraw the money.

The Bank has appealed as it is of the opinion that the lower court erred in its judgement and that it was not aware of the request to withhold the funds before these were withdrawn and was not a party matter between its customer “Y” and plaintiff “X”.

The directors having obtained appropriate legal counsel re of the view that the likelihood of a material cash flow from the Bank is remote and hence no provisions are required as at the balance sheet date.

38. Errors-correction of prior period errors

a) As at 31 December 2021, the Bank had an alleged wrong treatment of the employer contribution in the voluntary pension scheme (Assurance Globale Protection Employés known as AGPE) which RSSB is of the view that it is a benefit granted to staff which should be subject to pension contribution. RSSB issued a notice of assessment on outstanding social security contribution due of Frw 142m for the period 2007-2013 which was settled and a provision of same amount of Frw 142m booked for open years 2014-2021 pending RSSB audit. This was adjusted retrospectively in the financial statements in line with IFRS.

b) Rwanda Revenue Authority also concluded its audit of the years 2017-2018 on CIT, VAT, PAYE and WHT where total exposure to the Bank was estimated at Frw 210m. This was adjusted retrospectively in the financial statements in line with IFRS.

c) There are other errors amounting to Frw 121m in aggregate which relate to interest and charges due to wrong system calculation as well as human errors that were adjusted in the financial statements retrospectively in line with IFRS.

The following table shows the restated balances in details:

		01 Jan 2020 As previously stated Frw'000	**Increase/ (Decrease) Frw'000**	**01 Jan 2020 Restated Frw'000**	**31 Dec 2020 As previously stated Frw'000**	**Increase/ (Decrease) Frw'000**	**31 Dec 2020 Restated Frw'000**
Cash and balances with National Bank of Rwanda	11	24,257,102	-	24,257,102	26,988,138	-	26,988,138
Amounts due from other banks	12	9,632,592	-	9,632,592	32,024,976	-	32,024,976
Financial assets:			-	-		-	-
- Government securities	13(i)	32,371,137	-	32,371,137	47,959,247	-	47,959,247
- Equity instruments	13(iii)	78,407	-	78,407	78,407	-	78,407
Loans and advances to customers	14	26,749,190	(99,924)	26,649,266	31,584,397	(99,924)	31,484,473
Other assets	15	1,207,093	-	1,207,093	2,225,152	-	2, 225,152
Non-current asset held for sale	18	194,101	-	194,101	295,101	-	295,101
Property and equipment	19	1,940,251	-	1,940,251	1,883,370	-	1,883,370
Intangible assets	20	806,280	-	806,280	886,682	-	886,682
Amount due from related party	16	10,942	-	10,942	221,299	-	221,299
Right of use asset	17	3,143,221	-	3,143,221	2,200,815	-	2,200,815
TOTAL ASSETS		**100,390,316**	**(99,924)**	**100,290,392**	**146,347,584**	**(99,924)**	**146,247,660**
LIABILITIES							
Customer deposits	21	85,514,827	20,666	85,535,493	119,925,882	20,666	119,946,548
Due to Central Bank(BNR)	22	-	-	-	464,169	-	464,169
Current income tax	10	(70,209)	210,754	140,545	383,762	210,754	594,516

		01 Jan 2020 As previously stated Frw'000	Increase/ (Decrease) Frw'000	01 Jan 2020 Restated Frw'000	31 Dec 2020 As previously stated Frw'000	Increase/ (Decrease) Frw'000	31 Dec 2020 Restated Frw'000
Deferred income tax	25	393,698	-	393,698	404,737	-	404,737
Other liabilities	23	983,982	157,054	1,141,036	1,042,763	157,054	1,199,817
Lease liability	24	3,592,334	-	3,592,334	2,773,880	-	2,773,880
TOTAL LIABILITIES		**90,414,632**	**388,473**	**90,803,105**	**124,995,193**	**388,473**	**125,383,666**
Equity							
Share capital	26	5,000,000	-	5,000,000	14,233,981	-	14,233,981
Retained earnings		4,383,314	(488,397)	3,894,917	6,559,730	(488,397)	6,071,333
Fair value reserve	27	54,885	-	54,885	54,885	-	54,885
Statutory reserve	20	206,448	-	206,448	172,758	-	172,758
Revaluation reserve	28	331,037	-	331,037	331,037	-	331,037
Total shareholders' equity		**9,975,684**	**(488,397)**	**9,487,287**	**21,352,391**	**(488,397)**	**20,863,994**
TOTAL EQUITY AND LIABILITIES		**100,390,316**	**(99,924)**	**100,290,392**	**146,347,584**	**(99,924)**	**146,247,660**

<table>
<tr><th colspan="2">Regulatory disclosures</th></tr>
<tr><th>Item</th><th>Amount (Frw'000)</th></tr>
<tr><td>1. Off-Balance Sheet items</td><td>4,937,691</td></tr>
<tr><td>2. Undrawn overdrafts (Visa +OD)</td><td>7,188,365</td></tr>
<tr><td>3. Total</td><td>12,126,056</td></tr>
<tr><td>4. Non-Performing Loan indicators</td><td></td></tr>
<tr><td>(a) Non-performing loans (NPL)</td><td>1,289,757</td></tr>
<tr><td>(b) NPL Ratio</td><td>3.48%</td></tr>
<tr><td></td><td></td></tr>
<tr><td>5. Capital strength</td><td></td></tr>
<tr><td>a. Core capital (Tier 1)</td><td>20,441,100</td></tr>
<tr><td>b. Supplementary capital (Tier 2)</td><td>148,287</td></tr>
<tr><td>c. Total capital</td><td>20,589,387</td></tr>
<tr><td>d. Total risk weighted assets</td><td>89,740,561</td></tr>
<tr><td>e. Core capital/Total risk weighted assets ratio</td><td>22.78%</td></tr>
<tr><td>f. Tier 1 ratio</td><td>22.78%</td></tr>
<tr><td>g. Total capital/total risk weighted assets ratio</td><td>22.94%</td></tr>
<tr><td>h. Tier 2 ratio</td><td>0.17%</td></tr>
<tr><td>i. Leverage ratio</td><td>13%</td></tr>
<tr><td>6.CREDIT RISK</td><td></td></tr>
<tr><td>1.Total gross credit risk exposures : after accounting offsets and without taking into account credit risk mitigation</td><td>44,493,599</td></tr>
<tr><td>2.Average gross credit exposures ,broken down by major types of credit exposure:</td><td></td></tr>
<tr><td>a) Loans, commitments and other non-derivative off-balance sheet exposures;</td><td>44,493,599</td></tr>
<tr><td>b) Debt securities</td><td>58,822,724</td></tr>
<tr><td>c) OTC derivatives</td><td>-</td></tr>
<tr><td>3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;</td><td>
<table>
<tr><th>Geographical distribution</th><th>TOTAL DIRECT EXPOSURES(RWF)</th></tr>
<tr><td>KIGALI</td><td>29,908,451</td></tr>
<tr><td>MUSANZE</td><td>1,323,943</td></tr>
<tr><td>RUBAVU</td><td>235,710</td></tr>
<tr><td>RUSIZI</td><td>101,002</td></tr>
<tr><td>BUGESERA</td><td>798,437</td></tr>
<tr><td>Grand Total</td><td>32,367,543</td></tr>
</table>
</td></tr>
<tr><td>4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:</td><td>
<table>
<tr><td>Government</td><td>339,875</td></tr>
<tr><td>Financial</td><td>250,893</td></tr>
<tr><td>Manufacturing</td><td>2,369,113</td></tr>
<tr><td>Infrastructure and construction</td><td>5,366,319</td></tr>
<tr><td>Services and commerce</td><td>9,604,958</td></tr>
<tr><td>Others</td><td>14,436,385</td></tr>
<tr><td>Total</td><td>32,367,543</td></tr>
</table>
</td></tr>
<tr><td>7.OPERATIONAL RISK</td><td></td></tr>
<tr><td>Number and types of frauds and their corresponding amount</td><td>
<table>
<tr><th>Type</th><th>Number</th><th>Amount</th></tr>
<tr><td>Counterfeit currency deposit</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
<tr><td>8. LIQUIDITY RISK</td><td></td></tr>
</table>

a. Liquidity ratio	912%
b. Net stable funding ratio	120%
9.MARKET RISK	
a .Interest rate risk	997,194
b. Equity position risk	22,659,229
c. Foreign exchange risk	4,112,570
10.Related parties	
a. Loans to directors, shareholders and subsidiaries	80,978
b. Loans to employees	883,474
11. Restructured loans	
a. No. of borrowers	47
b. Amount outstanding	5,267,157
c. Provision thereon (regulatory)	565
d. Restructured loans as % of gross loans	14%
12.COUNTRY RISK	
a. Credit exposures abroad	-
b. Other assets held abroad	48,246,781
c. Liabilities to abroad	
13. Management and board composition	
a. Number of board members	7
b. Number of non–executive directors	1
c. Number of executive directors	2
d. Number of independent directors	4
e. Number of female directors	3
f. Number of male directors	4
g. Number of management committee	8
h. Number of senior managers	10
i. Number of female senior managers	4
j. Number of male senior managers	6