



**LEADING WITH IMPACT**  
**Annual Report 2024**



## **CRDB BANK BURUNDI S.A**

Rohero 1, Chaussée du Prince Louis  
Rwagasore N 490/A  
P. O. Box 254 Bujumbura - Burundi  
Swift code: CORUBIBU  
Website: [www.crdbbank.co.bi](http://www.crdbbank.co.bi)

### **BRANCHES**

#### **Inyenyeri**

Rohero 1, Chaussée du Prince Louis  
Rwagasore N 490/A  
P. O. Box 254 Bujumbura - Burundi

#### **Asiatique**

Quartier Asiatique, Avenue Songa  
Immeuble BATRALAC  
P. O. Box 254 Bujumbura - Burundi

#### **City Market**

Quartier Industriel, Avenue de l'OUA  
Immeuble Garage AUTOTECH  
P. O. Box 254 Bujumbura - Burundi

#### **Ngozi**

Quartier Shikiro  
Route Nationale N°6  
P. O. Box 254  
Bujumbura - Burundi

#### **Intahe Premier Branch**

Immeuble Intahe House  
33 Boulevard Mwezi Gisabo,  
Quartier Rohero 1, Bujumbura  
P. O. Box 254 Bujumbura-Burundi



[www.crdbbank.co.bi](http://www.crdbbank.co.bi)



## About this Report

CRDB Bank Burundi S.A Annual Report and Financial Statements\*\* cover the financial year from January 1, 2024, to December 31, 2024.

This report provides a detailed account of the Bank’s business activities during the financial year and offers insights into its business prospects for 2024 and beyond.

CRDB Bank Burundi S.A (the “Bank”) is a wholly owned subsidiary of CRDB Bank Plc (the “Group”).

In preparing this report, we have adhered to industry best practices and prudent accounting frameworks for both existing and prospective investors. We have also ensured compliance with the legal and regulatory guidelines governing banks in Burundi, as well as the prudential reporting standards required by the parent company (the Group).

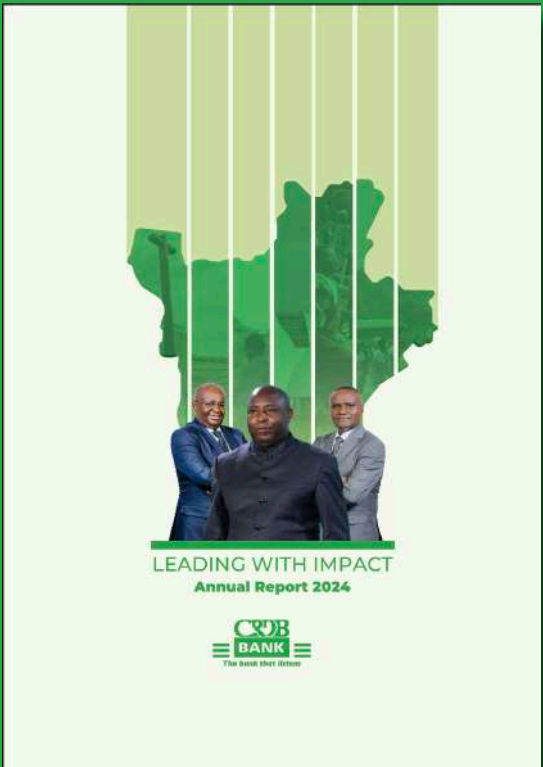
### Reporting Frameworks

In developing this report, we have partially adopted an integrated approach to enhance clarity and transparency. The Bank’s Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

This report presents a comprehensive analysis of the Bank’s strategy, performance, sustainability, governance, and future prospects. It is informed by internal processes such as risk assessments and stakeholder engagements, as well as external industry trends.

### Assurance

The Bank’s Annual Financial Statements were audited by TAA PARTNERS.



## About Our Cover

The cover of the CRDB Bank Burundi Annual Report 2024 effectively communicates leadership, growth, and national impact. The bold theme, *“Leading with Impact,”* is visually reinforced by the presence of key figures, symbolizing strong governance and strategic direction. The integration of Burundi’s map and flag highlights the bank’s deep-rooted commitment to

national development, while the green color palette aligns with CRDB’s brand identity, reinforcing trust and stability. The upward-extending bars symbolize financial progress and economic empowerment, while the background imagery subtly reflects the bank’s role in community development. Overall, the design presents a compelling narrative of leadership, growth, and positive transformation.







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# Acronyms & Abbreviations

<b>AGMs</b>	Annual General Meetings
<b>ALCO</b>	Asset-Liability Committee
<b>AML</b>	Anti-Money Laundering
<b>ATM</b>	Automated Teller Machine
<b>BIF</b>	Burundian Franc
<b>BRARUDI</b>	Brasserie et Limonaderies du Burundi
<b>CBS</b>	Core Banking System
<b>CIR</b>	Cost-to-Income Ratio
<b>CSI</b>	Corporate Social Investment
<b>DeFi</b>	Enterprise Service Bus
<b>ESB</b>	Enterprise Service Bus
<b>ESG</b>	Environmental, Social, and Governance
<b>FinTech</b>	Financial Technology
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communication Technology
<b>IMF</b>	International Monetary Fund
<b>MNO</b>	Mobile Network Operator
<b>MPME</b>	Micro, Petites et Moyennes Entreprises (French)
<b>MSME</b>	Micro, Small, and Medium Enterprises
<b>NPL</b>	Non-Performing Loan
<b>OBR</b>	Office Burundais des Recettes (Burundi Revenue Authority)
<b>PBT</b>	Profit Before Tax
<b>POS</b>	Point of Sale
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>S.A.</b>	Société Anonyme

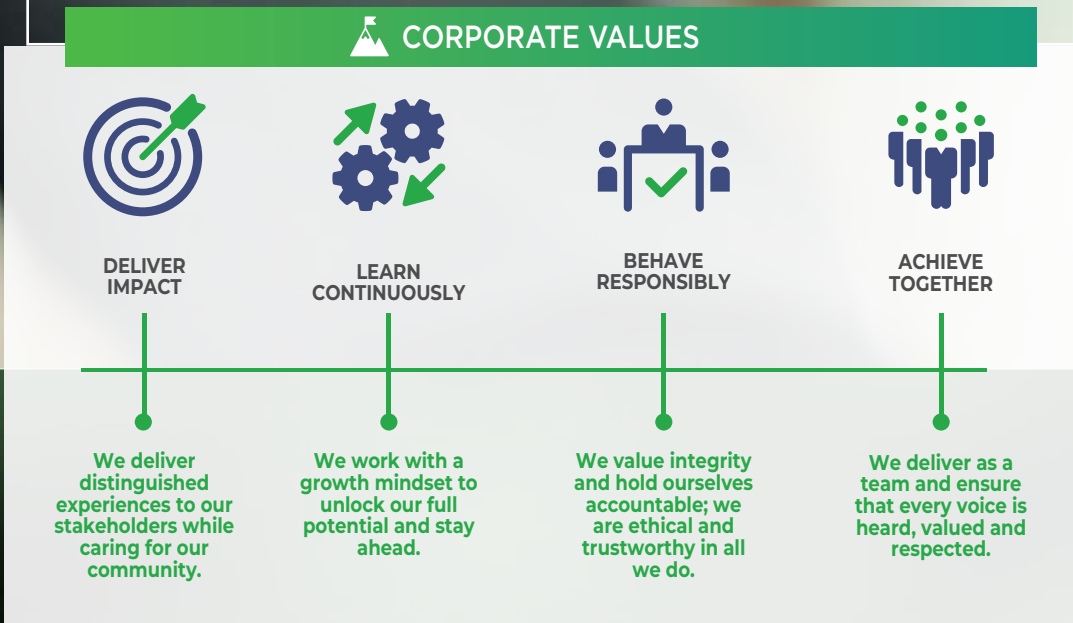
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# 02



# Company Overview

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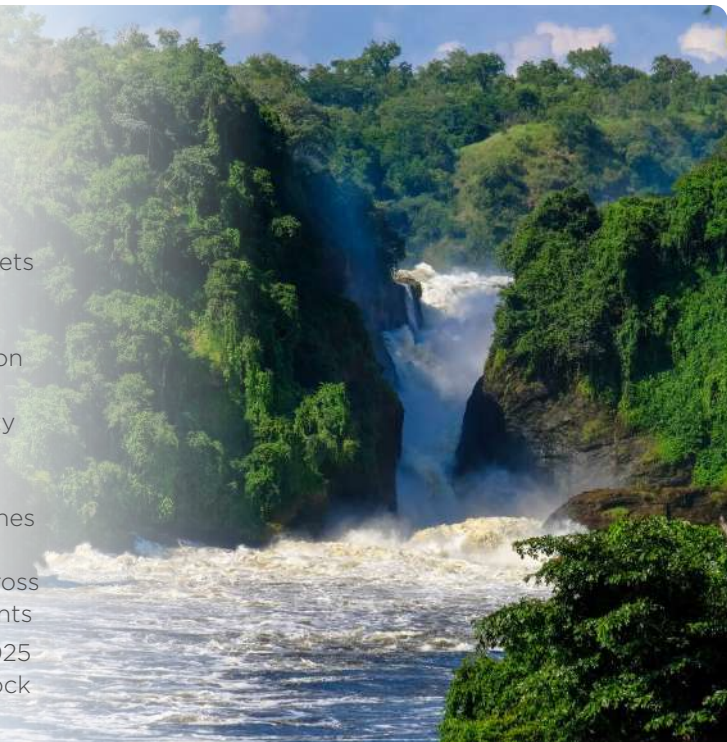


## About CRDB Bank Burundi SA

CRDB Bank Burundi S.A is a wholly-owned subsidiary of CRDB Bank Plc Tanzania. We are Burundi’s second-largest integrated financial service provider and the first-choice partner for our customers in the microfinance services. We are a market leader in treasury and capital markets services.

Over the years, we have built a robust distribution network leveraging a mix of technology and traditional banking models to deliver high-quality services across expansive geographies.

Our presence in Burundi comprises four branches within Bujumbura, one in Ngozi and a robust agency network of over 2,000 and 11 ATMs across the country. We have a plan to double our agents and increase number of branches by four in 2025 to deepen access to financial services and unlock the economic potential of Burundi.



### Capital Structure

The ordinary share capital of the Company is as follows:

	Dec-24	Dec-23
	BIF Mil”	BIF Mil”
Issued and fully paid-up capital	48 027.0	25 670.5

### Shareholders of The Company

The total number of shareholders as at 31 December 2024 were three (31 December 2023: three shareholders). The shares of the Bank were held as follows:

Shareholders	2024	2023
i. CRDB Bank Plc	96 052	51 339
ii. Mr. Abdulmajid Mussa Nsekela (Group CEO & MD, CRDB Bank PLC)	1	1
iii. Mr. Frederick Bayona Nshakanabo (CFO, CRDB Bank PLC)	1	1
<b>Total</b>	<b>96 054</b>	<b>51 341</b>



# Products & Services

## Banking



### SimBanking

A service that allows you to carry out banking transactions using a mobile phone wherever you are and anytime from your mobile phone.

### Cards

Enjoy unlimited possibilities and convenience with TemboCard Visa. This card provides instant and safe access to your bank account from any place and at any time.

### Internet Banking

An instant banking service delivery channel that allows you to access accounts information and perform various transactions over the Internet

### Premier Banking

This is an elite banking service that is geared towards making personal financial goals manageable, achievable, and more rewarding.

### Birashoboka (Microfinance)

A means to facilitate the financial inclusion of underserved segments and those with small income-generating activities to promote the socio-economic development of the country.

### International Transfer

An International money transfer service that is safe and fast. The recipient of the transfer will receive the money within 24 to 48 hours.

### Cross-border

A transactions service between Burundi and Tanzania where one's funded foreign currency account is used across the two countries.

### Corporate Banking

We provide a wide range of customised solutions for corporations and government institutions to meet the specific needs and business dynamics of each sector.

### Retail Banking

We are focused on meeting the financial needs of personal and small business customers who are looking for accessible and affordable banking and financial services

### Turi Hose agency network

We have a network of bank agents for the proximity of banking services to its customers.

## Accounts



### Current Account

We recognize that in these unpredictable days you deserve convenient and reliable services. Our current account provides you with an easy way to handle transactions.

### Mwamikazi Account - Malkia

Mwamikazi Account is a unique saving plan designed for a modern-day woman with dreams. The account enables you to meet all your financial obligations, as well as personal goals and dreams.

### Savings Account

With the CRDB Bank savings account you can conveniently save for your future needs while at the same time enjoying unmatched benefits and competitive interests.

### Salary Account

Salary account designed to meet the financial needs of a modern-day worker, who is keen to build a career while making progress in life.

### Junior Jumbo Account

Junior Jumbo is an account tailored for children below 18 years of age and it is meant to enable them to live to see their dreams.

### Scholar Account

Scholar Account is a student account designed to enable students to get the wings to fly to the highest point in their academic dream.

### Diaspora Account

Diaspora account is specially designed for you! It is a savings account designed for Burundians living in the Diaspora to open and use foreign and local currency accounts with a bank in their home country





## Loans



### Personal Loan

This facility is granted to employees who have accounts at CRDB Bank Burundi S.A. The applicant must be in a group with his colleagues from the same institution and the employer must undertake to domiciliate the monthly salary in a specific account of the applicant.

### Salary Advance

As a preferred financial service provider, our customers' needs inspire us to create innovative products and services, tailor-made especially for salaried employees, who have their salaries or regular income paid through us. The Salary advance facility offers a perfect solution for the unforeseen financial needs of any worker anywhere within Burundi.

### SME Loan

Our SME loan is designed to address the capital challenges for Small and Medium Enterprises (SMEs) with affordable credit provided on flexible terms.

### Twige Twese (Education Loan)

Twige Twese is a specialised salary advance, aimed at enabling salaried employees to meet their needs for education expense purposes and to prepare for the beginning of the school year. The facility is designed to support salaried employees to purchase school materials and tuition fees.

### Corporate Loan

We provide tailored loans to support both local and international trade to support the Corporate segment with a view to powering economic growth. Our Corporate loan products cover the diverse needs of our clientele and are designed with the client in mind.



## Treasury



### Fixed Deposit Account

It is a time deposit account with fixed terms where a certain amount of money is kept in the account for a predetermined fixed time and interest rate.

### Forex

In this globalised economy, getting the best exchange rates for foreign currency gives your business an edge in business. This service allows your customers to save money by giving the best daily exchange rates.

### Government Securities

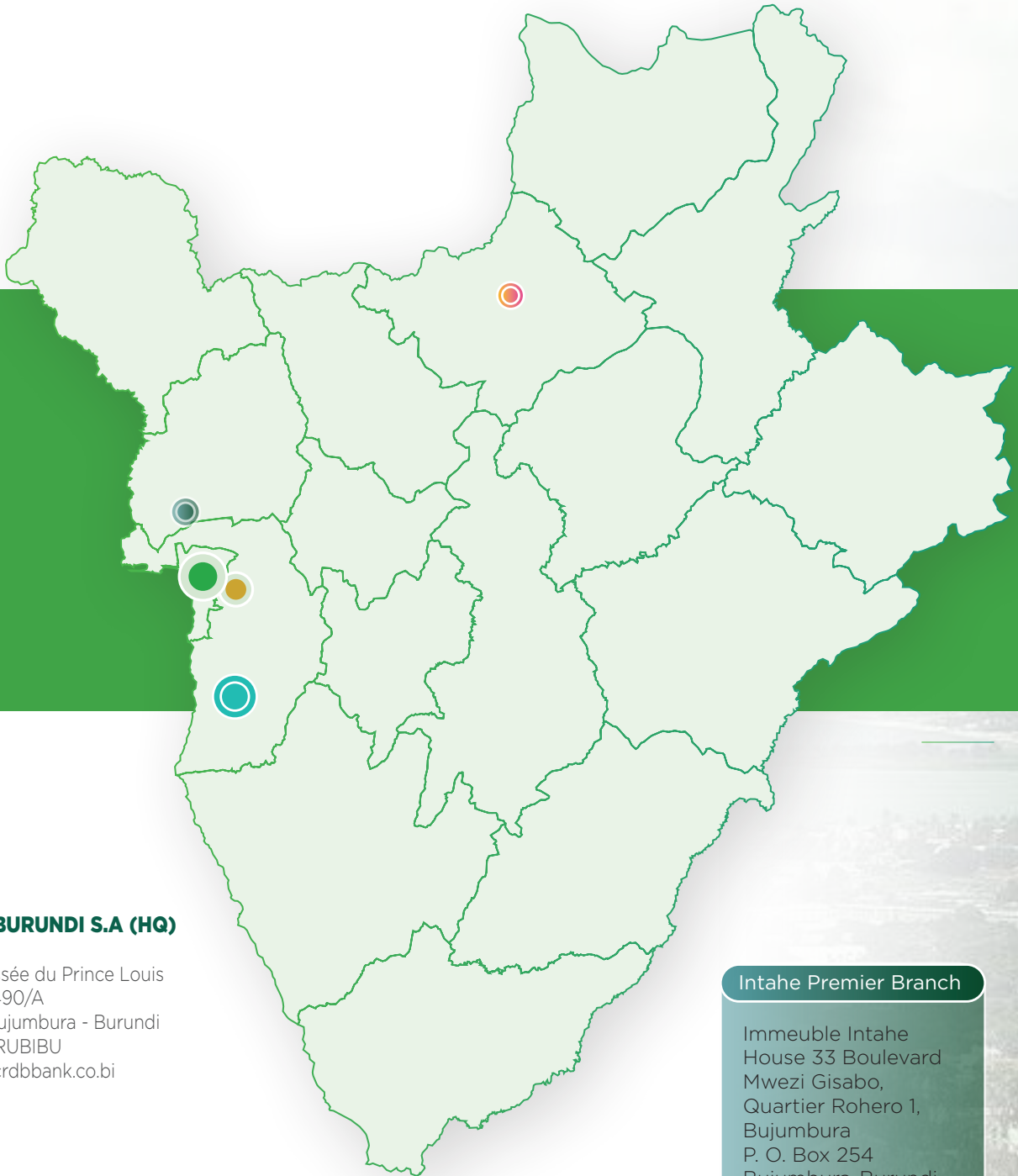
We offer market-level investment solutions, drawing from our vast experience in capital markets and securities trading. Our Government Securities services provide a stable and reliable wealth creation avenue for the discerning investor.

### Transactional Banking

We offer transactional banking solutions aimed at improving our clients' capacity to oversee their working capital, achieved through increased transparency, operational efficiencies, and enhanced risk management practices.



# Our Market Presence



## CRDB BANK BURUNDI S.A (HQ)

Rohero 1, Chaussée du Prince Louis  
Rwagasore N 490/A  
P. O. Box 254 Bujumbura - Burundi  
Swift code: CORUBIBU  
Website: [www.crdbbank.co.bi](http://www.crdbbank.co.bi)

**Intahe Premier Branch**  
Immeuble Intahe  
House 33 Boulevard  
Mwezi Gisabo,  
Quartier Rohero 1,  
Bujumbura  
P. O. Box 254  
Bujumbura-Burundi

## BRANCHES

**Ngozi**  
Bujumbura- Burundi  
Quartier Shikiro  
Route Nationale N°6  
P. O. Box 254  
Bujumbura- Burundi

**Asiatique**  
Quartier Asiatique,  
Avenue Songa  
Immeuble BATRALAC  
P. O. Box 254  
Bujumbura- Burundi

**City Market**  
Quartier Industriel,  
Avenue de l'OUA  
Immeuble Garage  
AUTOTECH  
P. O. Box 254  
Bujumbura- Burundi

**Inyenyeri**  
Rohero 1, Chaussée du  
Prince Louis  
Rwagasore N 490/A  
P. O. Box 254 Bujumbura-  
Burundi



**5**

Branches, with 4 more planned for 2025



**2 000**

TURI HOSE Banking Agents



**11**

ATMs, including 3 available Offsite



# Senior Management



**Mr. Fredrick Siwale**  
Managing Director

*We credit our strength and endurance to a consistent approach to managing our business, and to the character of our people. Our forward-looking leadership team is made up of dedicated, focused and experienced executives.*



**Mr. Paul Ayumwi Mlay**  
Director of Finance  
and Administration



**Ms. Bella Niyuhire**  
Director of  
Internal Audit



**Mr. Arnaud Rugema**  
Director of  
Corporate Banking



**Mr. Icare Gafurero**  
Director of  
Banking Operations



**Mr. Ernest Ngendakumana**  
Director of Treasury  
and Capital Markets



*Nous attribuons notre force et notre endurance à une approche cohérente de la gestion de notre entreprise et au caractère de nos collaborateurs. Notre équipe de direction tournée vers l'avenir est composée de dirigeants dévoués, concentrés et expérimentés.*



**Mr. Médiateur Muhire**  
Deputy Managing Director



**Mr. René-Espoir Ndayikeje**  
Director of Retail Banking



**Mr. Deusdedit Mchomba**  
Director of Credit



**Ms. Ines Mucowintore**  
Director of Human Resources



**Mr. Gadi Pori**  
Director of Information and Communication Technology



**Mr. Prosper Nyenimpundu**  
Director of Risk and Compliance

# 2024 Performance Highlights

## Financial Performance

Profit Before Tax

**46.9**  
BIF Billion

(2023: 33.1 BIF Billion) ▲ 42%  
Strong profit growth driven by revenue expansion



Net Profit

**44.5**  
BIF Billion

(2023: 31.5 BIF Billion) ▲ 41%  
Net profit up significantly, reflecting financial strength



Total Assets

**1.8**  
BIF Trillion

(2023: 1.1 BIF Trillion) ▲ 61%  
Total assets grew, strengthening balance sheet resilience



Total Deposits

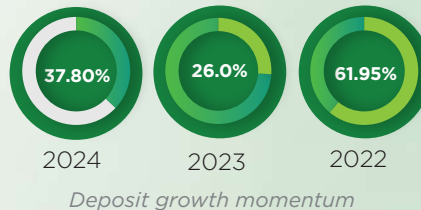
**842.3**  
BIF Billion

(2023: 611.1 BIF Billion) ▲ 38%  
Deposit base expanded, boosting liquidity position

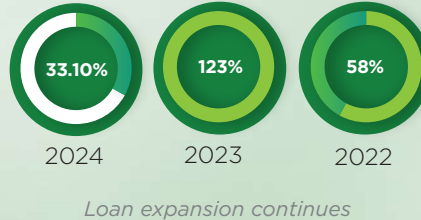


### Business Growth

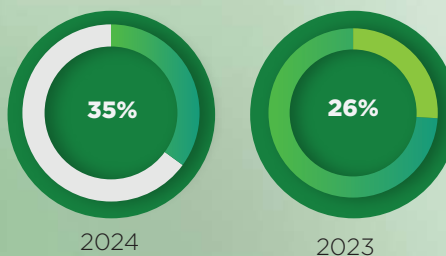
#### Growth in Customer Deposits



#### Growth in Loans and Advances



#### Corporate Lending Growth



#### MSME Lending Growth

**361.9%**

MSME lending expanding



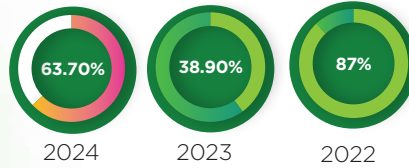
## Digital Transformation

### Mobile Banking Transactions



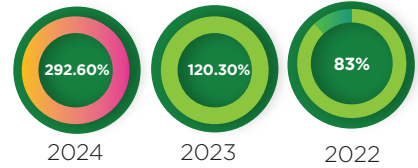
Mobile transactions surge

### Internet Banking Transactions



Internet banking adoption soars

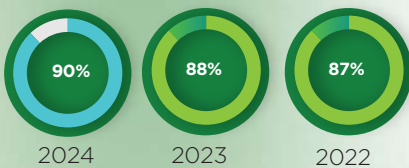
### Agency Banking Transactions



Agency network expansion drives growth

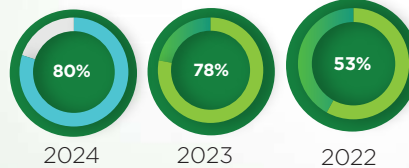
## Customer Obsession

### Customer Satisfaction Score



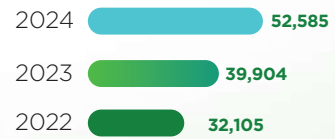
Customer satisfaction at all-time high

### Net Promoter Score



Customer loyalty improved, reflecting strong brand trust

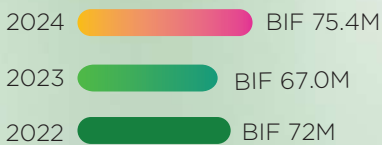
### Number of Active Accounts



Rapid increase in customer base

## Sustainability

### ESG Investment

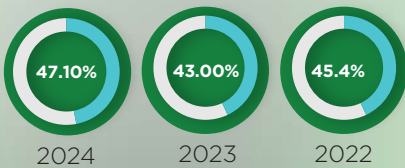


Sustainability investments increasing



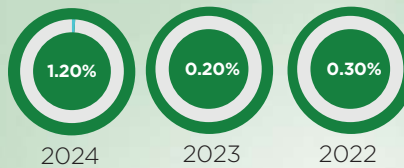
## Operational Excellence

### Cost-to-Income Ratio (CIR)



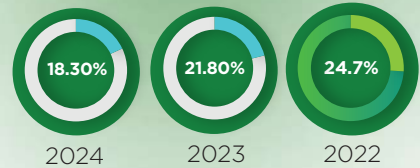
Cost efficiency measures underway

### Non-Performing Loans Ratio



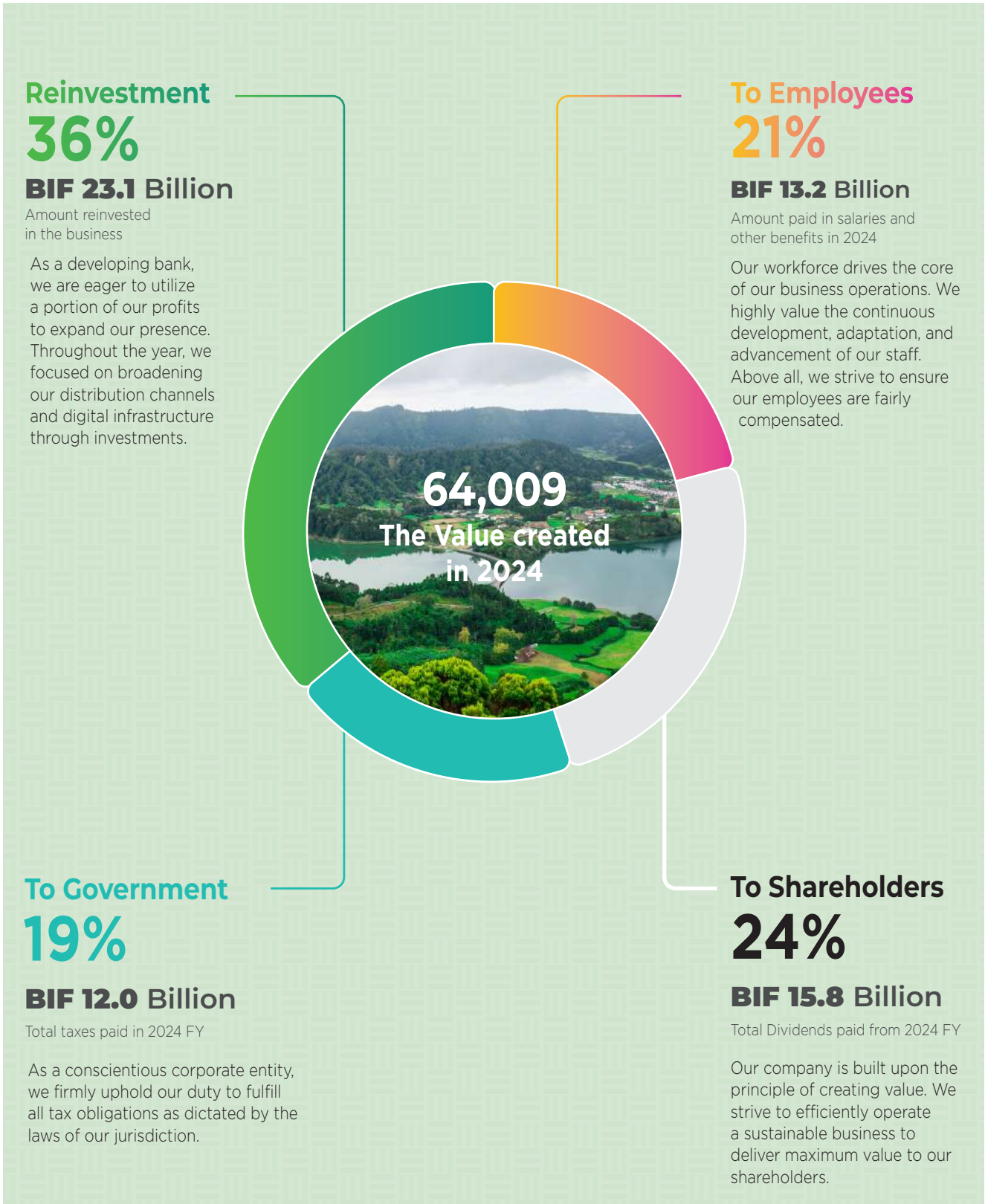
NPLs remained low, reflecting strong underway risk management

### Capital Adequacy Ratio



Strong capital base maintained risk management

# The Value we Created in 2024



## Reinvestment 36%

**BIF 23.1 Billion**

Amount reinvested in the business

As a developing bank, we are eager to utilize a portion of our profits to expand our presence. Throughout the year, we focused on broadening our distribution channels and digital infrastructure through investments.

## To Employees 21%

**BIF 13.2 Billion**

Amount paid in salaries and other benefits in 2024

Our workforce drives the core of our business operations. We highly value the continuous development, adaptation, and advancement of our staff. Above all, we strive to ensure our employees are fairly compensated.

## To Government 19%

**BIF 12.0 Billion**

Total taxes paid in 2024 FY

As a conscientious corporate entity, we firmly uphold our duty to fulfill all tax obligations as dictated by the laws of our jurisdiction.

## To Shareholders 24%

**BIF 15.8 Billion**

Total Dividends paid from 2024 FY

Our company is built upon the principle of creating value. We strive to efficiently operate a sustainable business to deliver maximum value to our shareholders.



# Value Added Statement

	2024		2023	
	BIF'Million		BIF'Million	
Income earned from banking services	122 765		78 213	
Cost incurred in provision of services	-		-	
Value added from banking services	51 526		33 803	
	71 239		44 410	
Non operating income	24 877		19 152	
Non operating expenditure	-		-	
	32 108		17 732	
<b>Value added</b>	<b>64 009</b>		<b>45 830</b>	
Distribution of value added				
<b>Employees and Management</b>				
Salaries and other benefits	13 230		9 630	
Other staff benefits				
	13 230	21%	9 630	21%
<b>To shareholders</b>				
Dividend Shareholders	15 581	24%	11 023	24%
Dividend to Government				
<b>To Government</b>				
Corporate Tax	2 378		713	
PAYE	2 111		1 527	
Development Tax	-		861	
Excise Duty/ Service Levy and other taxes	7 575		2 751	
VAT on services				
	<b>12 064</b>	<b>19%</b>	<b>5 852</b>	<b>13%</b>
<b>Reinvestment</b>				
Depreciation, deferred tax and retained earnings	<b>23 135</b>	<b>36%</b>	<b>19 324</b>	<b>42%</b>
	<b>64 009</b>	<b>100%</b>	<b>45 830</b>	<b>100%</b>

# 03





# Strategy Review

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# Chairman's Statement



**Dear Shareholders,**

It is with profound honour that I present the 2024 Annual Report of CRDB Bank Burundi S.A., a year that was defined by resilience, successful strategic execution, and transformative growth.

At the heart of this strategy is a deep commitment to enhancing the customer experience through tailored financial solutions and digital accessibility. This approach paid off in 2024 with a **37.8%** increase in deposits and a **33.1%** growth in loans and advances, fuelled by demand from retail clients, SMEs, corporates, and the diaspora community.

As we concluded the second year of our five-year strategic plan (2023–2027), we reaffirmed our commitment to our company's vision of transforming lives and developing economies to their fullest potential. Guided by our purpose to improve livelihoods and deliver sustainable impact, we continued to solidify our position as Burundi's leading financial services provider, navigating macroeconomic headwinds while advancing digital innovation, sustainability, and inclusive growth.

Profit Before Tax



**46.9**  
BIF Billions

Net Profit



**44.5**  
BIF Billions

Total Assets



**1.8**  
BIF Trillion

Total Deposits



**842.3**  
BIF Billions



I take this opportunity to extend my gratitude to our shareholders, customers, employees, regulators, and partners for their unyielding trust and collaboration. Together, we have demonstrated that purposeful banking can drive prosperity even in uncertain times.

### Operating Environment and Economic Context

The global economy in 2024 remained volatile, with growth projected to reach 3.3% in 2025 - 2026; lagging behind historical averages. Inflationary pressures, geopolitical tensions, and tighter monetary policies in advanced economies restricted capital flows to emerging markets. Despite these global challenges, sub-Saharan Africa, including Burundi, demonstrated notable resilience, driven by strategic economic initiatives and adaptive financial policies.

Burundi's economy faced a complex landscape in 2024, with GDP growth estimated at 2.2%, according to the World Bank, reflecting persistent fuel and foreign exchange shortages despite investments in public infrastructure and the mining sector. However, the African Development Bank projected a more optimistic

trajectory, estimating 4.6% growth for the year, driven by financial sector deepening and government-led economic reforms. Looking ahead, GDP is expected to show modest acceleration in 2025, although challenges remain.

Inflation surged to 36.5% by December 2024, exacerbated by supply chain disruptions, rising food prices, and currency depreciation. The Burundian Franc (BIF) continued to weaken, further straining import costs and reducing consumer purchasing power. Meanwhile, the financial sector faced heightened competition, as Mobile Network Operators (MNOs) and FinTech firms expanded digital financial services, challenging traditional banking models. These dynamics point towards the need for continued economic resilience, policy adaptation, and financial sector innovation to sustain long-term growth.

Amid these evolving conditions, CRDB Bank Burundi S.A. reinforced its market leadership by leveraging our strong capital base, digital transformation strategy, and a devout commitment to customer service.

Net Loans

 **911.9**

Return on Equity (ROE)

 **31.1%**

Return on Assets (ROA)

 **3.2%**

Cost-to-Income Ratio (CIR)

 **47.1%**

Our bank had secured a 20% market share in total assets and 16% in customer deposits, reaffirming our crucial role in Burundi's financial ecosystem. Through strategic agility and resilience, CRDB Bank Burundi S.A. remains well-positioned to navigate economic uncertainties while driving sustainable growth.

### Translating Vision into Action

CRDB Bank's 2023-2027 strategic plan, anchored in its core pillars, has yielded significant progress across four key priorities: customer obsession, digital transformation, sustainability, and operational excellence. Each area has been instrumental in driving inclusive growth and strengthening the bank's market position.

At the heart of this strategy is a deep commitment to enhancing the customer experience through tailored financial solutions and

digital accessibility. This approach paid off in 2024 with a 37.8% increase in deposits and a 33.1% growth in loans and advances, fuelled by demand from retail clients, SMEs, corporates, and the diaspora community. The introduction of innovative financial products, has further expanded access to financial services in underserved markets, further reinforcing our strategic intent of growth.

Digital transformation has also been a basis of our strategy, significantly advancing financial inclusion. During the year under review, our proprietary SimBanking platform witnessed a 33.7% rise in registered users, with transactions surging by 48.6%. Internet banking adoption grew even more rapidly, with transactions increasing by 63.7%, reflecting

the growing preference for digital financial solutions. In addition to this, our expansion of the "Turi Hose" agency banking network to 2,000 outlets enabled over 1,020,079 transactions, marking an impressive 292.6% year-on-year increase.

Sustainability and Environmental, Social, and Governance (ESG) principles have remained integral to our operations. In line with our Group strategy, we are embedding climate risk assessments into credit evaluations and strategic planning, to reinforce our commitment to responsible banking.

As a conscious corporate entity, social impact initiatives have also been a priority, with investments totalling BIF 75.4 million in key areas such as health, education, and environmental sustainability in 2024. Programs supporting



**33.7%**

Growth in SimBanking registered users



**48.6%**

SimBanking transactions



**63.7%**

Growth in Internet banking transactions



**2 000**

Turi Hose agency banking network expansion



**292.6%**

Growth in agency banking transactions  
1,020,079 transactions recorded

*Operational excellence remains a key focus for CRDB Bank Burundi SA, driving efficiency and resilience in an evolving financial landscape. Our priority is to ensure that we run an efficient business and maximize returns to our shareholders. While strategic cost management initiatives were implemented, external economic pressures and expansion efforts contributed to the higher CIR. During the 2024 FY, the bank's cost-to-income ratio (CIR) increased to 47.2%, up from 43.0% in 2023, reflecting rising operational expenses and investments in digital transformation. Despite this, the bank remains committed to optimizing operational efficiencies and enhancing profitability through technology-driven solutions and streamlined processes.*



reforestation and maternal health serve to demonstrate our dedication to community development and impact. But we also understand that for us to continue making a positive impact, robust governance is critical. During the year under review, we continued to enhance board oversight and strengthened compliance frameworks ensure alignment with global best practices.

Operational excellence remains a key focus for CRDB Bank Burundi SA, driving efficiency and resilience in an evolving financial landscape. Our priority is to ensure that we run an efficient business and maximize returns to our shareholders. While strategic cost management initiatives were implemented, external economic pressures and expansion

Highlights of selected indicators

Key Indicator	2024	2023
Profit Before Tax	BIF <b>46.9B</b>	BIF <b>33.1B</b>
Net Profit	BIF <b>44.5B</b>	BIF <b>31.5B</b>
Total Assets	BIF <b>1.8T</b>	BIF <b>1.1T</b>
Return on Equity (ROE)	<b>31.1%</b>	<b>34.5%</b>
Non-Performing Loans (NPL)	<b>1.2%</b>	<b>0.2%</b>

efforts contributed to the higher CIR. During the 2024 FY, the bank's cost-to-income ratio (CIR) increased to 47.2%, up from 43.0% in 2023, reflecting rising operational expenses and investments in digital transformation. Despite this, the bank remains committed to optimizing operational efficiencies and enhancing profitability through technology-driven solutions and streamlined processes.

Investing in workforce development has been equally important, with BIF 890 million allocated to staff training programs focused on digital literacy and leadership skills during the year. We believe that equipping our people not only powers us for the future but also creates a positive ripple in the society we live in today.

Reflecting on Our Performance

Despite the challenges in our operating environment, our bank continued to perform exceptionally well, demonstrating resilience and strategic agility. This performance reflects our ability to adapt swiftly in a shifting business landscape. Through consistent innovation, prudent risk management, and a customer-centric approach, we reinforced our market position and laid a strong foundation for future growth.

Growth Drivers

Our strong financial performance in 2024 was buttressed by robust revenue streams across both interest and non-funded income. Interest income grew by 57%, driven by an expanding loan portfolio that catered to diverse customer segments, including retail, SMEs, and corporate clients coupled with growth in government securities investments. This growth

was also supported by prudent risk management practices and enhanced credit underwriting frameworks, which ensured our lending activities were expanded in a sustainable way.

At the same time, non-funded income increased by 30%, reflecting the bank's successful push towards fee-based services and the rapid adoption of digital transactions fx trading. The increasing reliance on mobile and internet banking, alongside value-added services such as agency banking and cross-border remittances, played a crucial role in strengthening revenue diversification. Together, these growth drivers reinforced CRDB's resilience, enabling the bank to capitalize on market opportunities while maintaining a strong financial position.

Safeguarding Stakeholder Interests

In an increasingly volatile economic and financial landscape, CRDB Bank Burundi S.A. remained steadfast in its proactive risk management approach, ensuring the protection of stakeholder interests while maintaining operational resilience. In the face of the rapid rise of FinTech firms and mobile network operators, our bank effectively countered competitive risks through accelerated digital innovation, enhanced customer experience strategies, and a focus on personalized financial solutions. Related to this, cybersecurity emerged as a critical priority, with the deployment of advanced threat detection systems and a bank-wide cybersecurity training program to safeguard digital assets and protect customer data.



Cost-to-income ratio (CIR) increased to 47.2%, up from 43.0% in 2023,



Investments social impact initiatives in 2024



Allocated to staff training programs focused on digital literacy and leadership skills



Increase in non funded income



**162 206**

Dividend per share in 2024



**15 580** BIF Million

Total recommended dividend amount for the FY 2024



**41.0%**

Increase in dividend from the previous year



**292.6%**

Growth in agency banking transactions  
1,020,079 transactions recorded



**35.0%**

Net Profit shared in 2024



On the regulatory compliance front, the bank reinforced its anti-money laundering (AML) frameworks, engaged constructively with the Bank of the Republic of Burundi, and ensured adherence to evolving financial regulations. Meanwhile, recognizing the growing impact of climate risks, we forged partnerships with international agencies to develop climate-resilient financing models, further integrating sustainability into our risk assessment frameworks.

This holistic approach to risk mitigation not only strengthened the bank's operational foundation but also enhanced its ability to navigate emerging challenges with agility and confidence.

Governance and Stakeholder Value Strong governance remained a critical pillar of our success in 2024, providing the foundation for trust, accountability, and long-term value creation. Board leadership played a pivotal role in ensuring

sound decision-making, with a diverse and independent board offering rigorous oversight while aligning with both CRDB Group standards and local regulatory requirements. We have inculcated a culture of ethical transparency across the organization, reinforced through robust whistleblower policies, anti-corruption training, and clear ethical guidelines that guided business conduct at all levels.

To further strengthen stakeholder engagement, the bank maintained open channels of communication with customers, regulators, and communities, with a view to cultivating trust and responsiveness. Regular dialogues with key stakeholders ensured that strategic decisions reflected market realities and evolving customer needs. This governance framework provided us with the agility to drive sustainable growth while upholding the highest standards of corporate integrity.

### Future Outlook

Looking ahead, CRDB Bank Burundi S.A. remains resolute in its commitment to sustainable and inclusive growth, with a strategic focus on four key areas that will define its trajectory in 2025 and beyond – Digital leadership, green finance, customer centric innovations, and operational resilience. Digital leadership will be a key pillar of the bank's innovation agenda, with initiatives aimed at launching AI-driven financial tools, strengthening cybersecurity infrastructure, and integrating machine learning to enhance risk detection and fraud prevention. We strongly believe that harnessing new technology, will enable our bank to provide secure, efficient, and accessible financial solutions to its growing customer base.

Green finance will play a critical role in our sustainability strategy. We are intent on scaling up



**We are committed to sustainable and inclusive growth**



financing for renewable energy projects, introducing carbon-neutral initiatives, and expanding green credit offerings to support businesses committed to environmental stewardship. These efforts will not only drive sustainable economic development but also align with global climate resilience goals.

In our pursuit of customer-centric innovation, we will continue to leverage emerging technologies such as blockchain to introduce seamless and secure remittance solutions. Additionally, the expansion of SME-focused digital platforms will enhance financial inclusion, empowering small businesses with the tools they need to thrive in an evolving digital economy.

Ensuring operational resilience will be a priority, with continued optimization of our branch network, automation of back-office processes, and investments in AI-driven operational enhancements to streamline workflows. These measures will strengthen efficiency, scalability, and overall service delivery, positioning CRDB as a future-ready institution capable of adapting to dynamic market conditions.

**Dividend Recommendation**

The Board, endeavours to balance between enhancing shareholder value and allocating resources for further business growth. Consistent with the bank’s dividend policy, the Board proposes a dividend of BIF 162,206 per share from the post-tax profit, compared to BIF 214,700 per share recommended in 2023. The total recommended dividend amount is BIF 15,580 million for 2024, which is 41% higher than BIF 11,023 million in 2023, equivalent to 35% of the net profit.

**Acknowledgements**

The year 2024 reaffirmed our ability to navigate complexity with agility, turning challenges into opportunities for growth and impact. This journey would not have been possible without the collective efforts of our stakeholders. On behalf of the Board of Directors, I extend my heartfelt gratitude to our employees, whose dedication, expertise, and commitment to excellence continue to fuel our progress.

We are indeed indebted to our customers, whose trust and evolving needs inspire us to innovate and deliver financial solutions that empower their aspirations. We also acknowledge with deep appreciation the steadfast support of the Government of Burundi and our industry regulators, whose guidance ensures a stable environment that nurtures our growth. Further, our sincere thanks go to CRDB Bank Plc, our parent company, for its commitment, strategic insight, and partnership, which enable us to push boundaries, drive meaningful change, and expand our impact across communities.

As we continue to advance, we remain profoundly grateful for the support and commitment of all those who contribute to our success. The partnerships we have built, the milestones we have achieved, and the progress we continue to make would not be possible without the collective vision and shared ambition of our entire ecosystem.

  
 Hosea Kashimba, CPA  
 Board Chairman

# Déclaration du Président du Conseil d'Administration



**Chers actionnaires,**

C'est avec un profond honneur que je vous présente le Rapport Annuel 2024 de CRDB Bank Burundi S.A. — une année marquée par la résilience, la réussite dans l'exécution de notre stratégie et une croissance transformative.

*Alors que nous venons d'achever la deuxième année*

Au cœur de cette stratégie, nous avons mis l'accent sur l'amélioration de l'expérience client par des solutions financières adaptées et un accès numérique élargi.

Cette approche a porté ses fruits en 2024, avec une augmentation de 37,8 % des dépôts et une croissance de 33,1 % des crédits et avances, stimulées par la demande des particuliers, des PME, des grandes entreprises et de la diaspora.

de notre plan stratégique quinquennal (2023-2027), nous réaffirmons notre engagement envers la vision de notre entreprise : transformer les vies et développer les économies à leur plein potentiel.

Guidés par notre mission d'améliorer les conditions de vie et de générer un impact durable, nous avons continué à consolider notre position de premier fournisseur de services financiers au Burundi, surmontant les vents contraires de la conjoncture tout en faisant progresser

Bénéfice avant impôt

 **46.9**  
Milliards BIF

Bénéfice net

 **44.5**  
Milliards BIF

Actif total

 **1.8**  
BIF Trillion

Dépôts totaux

 **842.3**  
Milliards BIF



l'innovation numérique, la durabilité et la croissance inclusive. Je saisis cette occasion pour exprimer ma gratitude à nos actionnaires, clients, employés, autorités de régulation et partenaires pour la confiance et la collaboration inébranlables dont ils font preuve. Ensemble, nous avons démontré que la banque portée par une vision responsable peut favoriser la prospérité, même en période d'incertitude.

**Environnement opérationnel et contexte économique**

L'économie mondiale est restée volatile en 2024, avec une croissance prévue de 3,3 % sur la période 2025-2026, en deçà de la moyenne historique. Les pressions inflationnistes, les tensions géopolitiques et le resserrement des politiques monétaires dans les économies avancées ont restreint les flux de capitaux vers les marchés émergents. En dépit de ces défis globaux, l'Afrique subsaharienne, y compris le Burundi, a fait preuve d'une résilience notable, soutenue par des initiatives économiques stratégiques et des politiques financières adaptées. L'économie burundaise a évolué dans un contexte complexe en 2024, avec une croissance du PIB estimée à 2,2 % selon la Banque mondiale, en raison de pénuries persistantes de

carburant et de devises étrangères malgré les investissements dans l'infrastructure publique et le secteur minier. Toutefois, la Banque africaine de développement propose une trajectoire plus optimiste, tablant sur une croissance de 4,6 % pour l'année, portée par la consolidation du secteur financier et les réformes économiques pilotées par le gouvernement. Pour 2025, les prévisions font état d'une accélération modeste de la croissance, bien que des défis subsistent. L'inflation a grimpé à 36,5 % en décembre 2024, sous l'effet de perturbations des chaînes d'approvisionnement, de la hausse des prix alimentaires et de la dépréciation de la monnaie. Le franc burundais (BIF) a continué de s'affaiblir, renchérissant les coûts d'importation et réduisant le pouvoir d'achat des consommateurs. Pendant ce temps, le secteur financier a fait face à une concurrence accrue : les opérateurs de réseaux mobiles (MNO) et les FinTech ont élargi leurs services financiers numériques, remettant en cause les modèles bancaires traditionnels. Dans ce contexte, la résilience économique, l'adaptation des politiques et l'innovation du secteur financier restent essentiels pour soutenir la croissance à long terme.

Prêts nets	<b>911.9</b>
Rendement des capitaux propres	<b>31.1%</b>
Rendement des actifs	<b>3.2%</b>
Ratio coût/revenu	<b>47.1%</b>

Face à ces dynamiques changeantes, CRDB Bank Burundi S.A. a renforcé son leadership sur le marché grâce à une base de capital solide, une stratégie de transformation numérique et une volonté inébranlable de servir ses clients. À la clôture de l'exercice 2024, la banque détenait 20 % de part de marché en termes d'actifs totaux et 16 % des dépôts clients, confirmant ainsi son rôle essentiel dans l'écosystème financier burundais. Grâce à notre agilité stratégique et notre résilience, CRDB Burundi SA reste solidement positionnée pour naviguer à travers les incertitudes économiques tout en assurant une croissance durable.

### De la vision à l'action

Le plan stratégique 2023-2027 de CRDB Bank, ancré dans ses piliers fondamentaux, a permis d'enregistrer des progrès significatifs

autour de quatre priorités : l'obsession client, la transformation numérique, la durabilité et l'excellence opérationnelle. Chacun de ces domaines a joué un rôle essentiel dans la promotion d'une croissance inclusive et le renforcement de la position de la banque sur le marché.

Au cœur de cette stratégie, nous avons mis l'accent sur l'amélioration de l'expérience client par des solutions financières adaptées et un accès numérique élargi. Cette approche a porté ses fruits en 2024, avec une augmentation de 37,8 % des dépôts et une croissance de 33,1 % des crédits et avances, stimulées par la demande des particuliers, des PME, des grandes entreprises et de la diaspora. Le lancement de produits financiers innovants a par ailleurs élargi l'accès aux services bancaires dans les marchés encore

peu desservis, illustrant notre ambition de croissance.

La transformation numérique constitue également un levier majeur de notre stratégie, contribuant de manière significative à l'inclusion financière. Au cours de l'exercice, notre plateforme SimBanking a enregistré une hausse de 33,7 % du nombre d'utilisateurs inscrits, avec une progression de 48,6 % des transactions. L'adoption de la banque en ligne s'est encore accélérée, avec une hausse de 63,7 % des transactions, traduisant la préférence croissante pour les solutions financières numériques. En parallèle, l'extension de notre réseau d'agences « Turi Hose » à 2 000 points de service a permis de réaliser plus de 1 020 079 transactions, soit une augmentation impressionnante de 292,6 % en glissement annuel.



**33.7%**

Croissance des utilisateurs enregistrés de SimBanking



**48.6%**

Transactions SimBanking



**63.7%**

Croissance des transactions de banque en ligne



**2 000**

Expansion du réseau de banque d'agence Turi Hose



**292.6%**

Croissance des transactions de banque d'agence : 1 020 079 transactions enregistrées

*L'excellence opérationnelle demeure un axe prioritaire chez CRDB Bank Burundi SA, garantissant efficacité et résilience dans un paysage financier en pleine mutation. Notre priorité est de gérer nos activités de manière efficiente tout en maximisant les retours pour nos actionnaires. Bien que des initiatives stratégiques de gestion des coûts aient été mises en place, les pressions économiques externes et les efforts d'expansion ont contribué à la hausse du ratio coûts/revenus (CIR). Sur l'exercice 2024, le CIR est passé à 47,2 %, contre 43,0 % en 2023, reflétant la progression des dépenses opérationnelles et les investissements dans la transformation numérique. Malgré cela, la banque reste résolue à poursuivre l'optimisation de son efficacité opérationnelle et l'amélioration de sa rentabilité grâce à des solutions technologiques et des processus rationalisés.*



Les principes de durabilité ainsi que les critères environnementaux, sociaux et de gouvernance (ESG) sont restés au cœur de nos activités. Conformément à la stratégie du Groupe, nous intégrons des évaluations des risques climatiques dans nos analyses de crédit et notre planification stratégique, afin de renforcer notre engagement en faveur d'une banque responsable. En tant qu'entreprise citoyenne, nous avons également accordé une place prioritaire aux actions à impact social, avec des investissements de l'ordre de 75,4 millions BIF dans des domaines clés tels que la santé, l'éducation et la protection de l'environnement en 2024. Des programmes de reforestation et de santé maternelle témoignent de notre volonté de contribuer au développement communautaire. Nous sommes aussi conscients

*Points saillants de quelques indicateurs clés*

Résultat avant impôts (PBT)	2024	2023
Résultat net	46,9 Mds BIF	33,1 Mds BIF
Total des actifs	44,5 Mds BIF	31,5 Mds BIF
Rendement des fonds propres (ROE)	BIF 1.8T	BIF 1.1T
Taux de créances douteuses (NPL)	31.1%	34.5%
Non-Performing Loans (NPL)	1.2%	0.2%

qu'un impact positif durable exige un dispositif de gouvernance solide. Au cours de l'année sous revue, nous avons poursuivi le renforcement de la supervision par le Conseil et consolidé les mécanismes de conformité afin de nous aligner sur les meilleures pratiques internationales.

L'excellence opérationnelle demeure un axe prioritaire chez CRDB Bank Burundi SA, garantissant efficacité et résilience dans un paysage financier en pleine mutation. Notre priorité est de gérer nos activités de manière efficiente tout en maximisant les retours pour nos actionnaires. Bien que des initiatives stratégiques de gestion des coûts aient été mises en place, les pressions économiques externes et les efforts d'expansion ont contribué à la hausse du ratio coûts/revenus (CIR). Sur l'exercice 2024, le CIR est passé à 47,2 %, contre 43,0 % en 2023, reflétant la progression des dépenses opérationnelles et les investissements dans la transformation numérique. Malgré cela, la banque reste résolue à poursuivre l'optimisation de son efficacité opérationnelle et l'amélioration de sa rentabilité grâce à des solutions technologiques et des processus rationalisés.

Nous continuons également d'investir dans le développement des compétences de nos équipes, avec 890 millions BIF alloués à la formation du personnel dans les domaines de la culture numérique et du leadership au cours de l'année. Nous sommes convaincus que doter nos collaborateurs des compétences de demain crée un effet positif sur la société dans son ensemble.

**Performance financière**

Malgré les défis dans notre environnement opérationnel, notre banque a continué d'afficher d'excellentes performances, faisant preuve de résilience et d'agilité stratégique. Cette performance reflète notre capacité à nous adapter rapidement dans un paysage commercial en évolution. Grâce à une innovation constante, à une gestion prudente des risques et à une approche centrée sur le client, nous avons renforcé notre position sur le marché et établi une base solide pour la croissance future.

**Facteurs de croissance**

La solide performance financière de 2024 s'explique par des flux de revenus robustes, tant pour les produits d'intérêt que pour les revenus hors intérêts. Les revenus d'intérêt ont augmenté de 57 %, soutenus par un portefeuille de prêts en expansion répondant à une clientèle diversifiée (particuliers, PME, entreprises) et par des placements accrus dans les titres d'État. Cette croissance s'est également appuyée sur une gestion prudente des risques et des cadres de souscription de crédit renforcés, garantissant une expansion responsable de nos activités de prêt. Parallèlement, les revenus hors intérêts ont progressé de 30 %, témoignant de la réussite de la banque dans le développement de services rémunérés et de l'adoption rapide des transactions numériques, notamment le trading de devises. Le recours accru à la banque mobile et en ligne, conjugué aux services à valeur ajoutée tels que les agents bancaires.



Le ratio coût/revenu (CIR) a augmenté à 47,2 %, contre 43,0 % en 2023.



Investissements dans les initiatives à impact social en 2024



Attribué aux programmes de formation du personnel axés sur la littératie numérique et les compétences en leadership



Augmentation des revenus non financés



d'agences et les transferts transfrontaliers, a joué un rôle de premier plan dans le renforcement de la diversification des revenus. Ensemble, ces moteurs de croissance ont consolidé la résilience de CRDB, lui permettant de saisir les opportunités du marché tout en maintenant une solide position financière.

### Protection des intérêts des parties prenantes

Dans un environnement économique et financier de plus en plus incertain, CRDB Bank Burundi S.A. est restée fidèle à une approche proactive de gestion des risques, assurant la protection des intérêts de toutes les parties prenantes et préservant sa résilience opérationnelle. Face à la montée en puissance des FinTech et des opérateurs de réseaux mobiles, la banque a su contrer les risques concurrentiels grâce à l'innovation numérique accélérée, à l'amélioration continue de l'expérience client et à la personnalisation de ses solutions financières.

Dans ce contexte, la cybersécurité s'est imposée comme une priorité cruciale : nous avons déployé des systèmes avancés de détection des menaces et mis en place un programme de formation interne pour protéger nos actifs numériques et assurer la sécurité des données de nos clients.

Sur le plan de la conformité réglementaire, la banque a renforcé ses dispositifs de lutte contre le blanchiment de capitaux (AML), maintenu un dialogue constructif avec la Banque de la République du Burundi et veillé au respect des réglementations financières en évolution. Par ailleurs, conscients de l'impact grandissant des risques climatiques, nous avons établi des partenariats avec des agences internationales pour développer des modèles de financement résilients au climat, intégrant plus étroitement la durabilité à notre évaluation des risques.

Cette approche globale de la gestion des risques a non seulement consolidé les bases opérationnelles de la banque, mais lui a aussi permis d'affronter avec réactivité et sérénité les défis émergents.

### Gouvernance et valeur pour les parties prenantes

En 2024, une gouvernance solide est restée un pilier fondamental de notre réussite, permettant d'instaurer la confiance, la responsabilité et la création de valeur à long terme. Le leadership du Conseil d'Administration a joué un rôle déterminant en assurant une prise de décision avisée, s'appuyant sur un Conseil diversifié et indépendant, conforme aux normes du Groupe CRDB et aux exigences réglementaires locales. Nous avons ancré une culture de

transparence et d'intégrité à tous les niveaux de l'organisation, grâce à des politiques de lanceurs d'alerte, des formations anticorruption et des directives claires en matière d'éthique.

Pour renforcer davantage l'engagement avec nos parties prenantes, la banque a maintenu des canaux de communication ouverts avec les clients, les régulateurs et les communautés, favorisant la confiance et l'écoute. Des concertations régulières avec nos principaux partenaires ont garanti que les décisions stratégiques reflètent les réalités du marché et l'évolution des besoins de la clientèle. Ce cadre de gouvernance nous confère l'agilité nécessaire pour soutenir une croissance durable tout en maintenant les plus hauts standards d'intégrité d'entreprise.

### Perspectives d'avenir

Pour l'avenir, CRDB Bank Burundi S.A. demeure fermement résolue à assurer une croissance durable et inclusive. Son parcours à l'horizon 2025 et au-delà sera guidé par quatre axes majeurs : le leadership numérique, la finance verte, l'innovation centrée sur le client et la résilience opérationnelle. Le leadership numérique se concrétisera à travers un agenda d'innovation ambitieux, intégrant des solutions financières basées sur l'intelligence artificielle, une



**30%**  
LES REVENUS  
HORS INTÉRÊTS

Parallèlement, les revenus hors intérêts ont progressé de 30%, témoignant de la réussite de la banque dans le développement de services rémunérés et de l'adoption rapide des transactions numériques, notamment le trading de devises. Le recours accru à la banque mobile et en ligne, conjugué aux services à valeur ajoutée tels que la banque d'agences et les transferts transfrontaliers, a joué un rôle de premier plan dans le renforcement de la diversification des revenus. Ensemble, ces moteurs de croissance ont consolidé la résilience de CRDB Bank Burundi S.A, lui permettant de saisir les opportunités du marché tout en maintenant une solide position financière.

infrastructure de cybersécurité renforcée et l'apprentissage automatique pour optimiser la détection des risques et la prévention de la fraude. En adoptant des technologies émergentes, la banque entend proposer des services financiers plus sûrs, plus efficaces et accessibles à un plus large public.

La finance verte occupera par ailleurs une place centrale dans la stratégie de durabilité de l'institution. CRDB Bank Burundi S.A. prévoit d'augmenter les financements dédiés aux projets d'énergies renouvelables, de développer des initiatives visant à atteindre la neutralité carbone et d'enrichir son offre de crédits verts afin de soutenir les entreprises investies dans la préservation de l'environnement. L'ensemble de ces mesures contribuera à un développement économique responsable, tout en répondant aux impératifs mondiaux de résilience climatique. L'innovation centrée sur le client continuera de s'appuyer sur des technologies d'avant-garde, notamment la blockchain, pour offrir des solutions de transfert de fonds simples et sécurisées. L'extension de plateformes numériques destinées aux petites et moyennes entreprises favorisera également l'inclusion financière, en mettant à leur disposition

des outils indispensables pour prospérer dans une économie de plus en plus numérisée.

Enfin, la résilience opérationnelle restera au cœur des priorités de CRDB Bank Burundi S.A. Elle passera par l'optimisation continue du réseau d'agences, l'automatisation des processus de back-office et l'adoption d'améliorations basées sur l'IA pour fluidifier les flux de travail. Grâce à ces efforts, la banque renforcera son efficacité, sa capacité d'adaptation et la qualité globale de son service, affirmant ainsi sa position d'institution tournée vers l'avenir et prête à relever les défis d'un environnement économique en constante évolution.

**Remerciements**

L'année 2024 a réaffirmé notre capacité à naviguer dans la complexité avec agilité, transformant les défis en opportunités de croissance et d'impact. Ce parcours n'aurait pas été possible sans les efforts collectifs de nos parties prenantes. Au nom du Conseil d'administration, j'exprime ma plus profonde gratitude à nos employés, dont le dévouement, l'expertise et l'engagement envers l'excellence continuent de nourrir nos progrès.

Nous sommes particulièrement redevables à nos clients, dont la confiance et l'évolution des besoins nous poussent à innover et à offrir des solutions financières qui soutiennent leurs aspirations. Nous saluons également avec une profonde reconnaissance le soutien indéfectible du Gouvernement du Burundi et de nos organismes de régulation, dont l'orientation garantit un environnement stable propice à notre croissance. De plus, nous adressons nos remerciements sincères à CRDB Bank Plc, notre société mère, pour son engagement, son sens stratégique et son partenariat, qui nous permettent de repousser les limites, d'apporter des changements significatifs et d'étendre notre impact dans les communautés.

Alors que nous continuons à progresser, nous demeurons profondément reconnaissants pour le soutien et l'engagement de tous ceux qui contribuent à notre réussite. Les partenariats que nous avons établis, les étapes que nous avons franchies et les progrès que nous poursuivons ne seraient pas possibles sans la vision commune et l'ambition partagée de l'ensemble de notre écosystème.

Hosea Kashimba, CPA  
Président du Conseil  
d'Administration

# Our Strategy





	EVOLVING TO STRENGTHEN OUR OPERATIONS	ACCELERATING GROWTH TO DEEPEN IMPACT	
Strategic Pillars	<p><b>MEDIUM TERM</b></p> <p> Grow the business Strengthen our service offerings and cement our presence in the market</p> <hr/> <p> Ring-fence the business Tap into our unrealised potential and introduce offerings that are new to the bank</p> <hr/> <p> Future-proof the business Enhance Sustainability and Governance; Explore new horizons to adapt to evolving client demands.</p>	<p><b>LONG TERM</b></p> <p><b>Building the economy</b></p> <ul style="list-style-type: none"> <li>◆ Growth in Financial solutions extended to enable economic development projects.</li> <li>◆ increase in the number of small and medium-sized enterprises (SMEs) financed.</li> <li>◆ Increase in the total value of financing for agribusiness.</li> <li>◆ Increase in accessibility of the bank's channels</li> <li>◆ Increase in the number of jobs created in the economy as a result of the bank's activities.</li> </ul> <hr/> <p><b>Generating Value:</b></p> <ul style="list-style-type: none"> <li>◆ Increase in the total value of community investment projects financed by the bank.</li> <li>◆ Increase in the social return on investment (SROI) from the bank's community support activities.</li> <li>◆ Increase in the economic impact of the bank's community support activities.</li> </ul> <hr/> <p><b>Environmental stewardship:</b></p> <ul style="list-style-type: none"> <li>◆ Increase in the amount of financing provided for green or sustainable projects.</li> <li>◆ Improvement in the bank's environmental, social, and governance (ESG) score.</li> <li>◆ Reduction in the bank's water and energy consumption</li> </ul>	
	Guiding Compass	<p>Provide disruptive solutions to unlock social-economic value for our stakeholders.</p> <p><b>Our Mission</b></p>	

## Strategic Value Unlocks

Metric	Unit of Measurement	2024 Performance	2023 Performance	% Change	Achievement Against Target	Benchmark
Profit Before Tax	BIF Billion	<b>46.9</b>	33.1	42	Exceeded <span style="color: green;">●</span>	>33.1B
Net Profit	BIF Billion	<b>44.5</b>	31.5	41	Exceeded <span style="color: green;">●</span>	>31.5B
Total Assets	BIF Trillion	<b>1.8</b>	1.1	61	Exceeded <span style="color: green;">●</span>	>1.1B
Total Deposits	BIF Billion	<b>842.3</b>	611.1	38	Met <span style="color: green;">●</span>	>611.1B
Net Loan Portfolio	BIF Billion	<b>911.9</b>	684.9	33	Met <span style="color: green;">●</span>	>900.0B
Return on Equity (ROE)	%	<b>31.1</b>	34.5	-3.4	Below <span style="color: orange;">●</span>	>34.9%
Return on Assets (ROA)	%	<b>3.2</b>	3.6	-0.4	Below <span style="color: orange;">●</span>	>3.5%
Cost-to-Income Ratio (CIR)	%	<b>47.1</b>	43	-4.1	Below <span style="color: green;">●</span>	<50.0%.
Non-Performing Loans (NPL) Ratio	%	<b>1.2</b>	0.2	1	Exceeded <span style="color: green;">●</span>	<3.0%.
Growth in Customer Deposits	%	<b>37.8</b>	32	5.8	Met <span style="color: green;">●</span>	>32.0%
Growth in Loans and Advances	%	<b>33.1</b>	123	-89.9	Below <span style="color: green;">●</span>	N/A.
Mobile Banking Transactions	%	<b>48.6</b>	40.1	8.5	Exceeded <span style="color: green;">●</span>	>40.1%.
Internet Banking Transactions	%	<b>63.7</b>	38.9	24.8	Exceeded <span style="color: green;">●</span>	>40.0%.
Agency Banking Transactions	%	<b>292.6</b>	120.3	172.3	Exceeded <span style="color: green;">●</span>	>120.3%.
Capital Adequacy Ratio	%	<b>18.3</b>	21.8	-16.1	Below <span style="color: green;">●</span>	Regulatory Min.
Customer Satisfaction Score (CSAT)	%	<b>90</b>	88	2.3	Met <span style="color: green;">●</span>	>88.0%
Net Promoter Score (NPS)	%	<b>80</b>	78	2.6	Met <span style="color: green;">●</span>	>80.0%
Number of Active Accounts	Number	<b>52585</b>	39904	31.7	Exceeded <span style="color: green;">●</span>	>50,000.
MSME Loans	BIF Billion	<b>19.4</b>	4.2	361.9	Exceeded <span style="color: green;">●</span>	>5.0B.
Corporate Loans	BIF Billion	<b>35</b>	26	34.6	Met <span style="color: green;">●</span>	>26.0%.
Digital Transaction Fees Growth	%	<b>30</b>	23	7.8	Exceeded <span style="color: green;">●</span>	>23.0%
Bancassurance Revenue Growth	%	<b>25</b>	20	25	Exceeded <span style="color: green;">●</span>	>20.0%



Value Driver	Strategic Alignment	Future Outlook (Medium Term)	Future Outlook (Long Term)	Assurance Type
Revenue Growth	Profitability	Sustained Growth	Market Leadership	Board Oversight
Profitability	Profitability	Sustained Growth	Market Leadership	Board Oversight
Asset Growth	Market Position	Moderate Growth	Sustained Expansion	Board Oversight
Deposit Mobilization	Liquidity Strength	Stable	Industry Leadership	Management Oversight
Credit Expansion	Credit Expansion	Expanding	Dominant Position	Management Oversight
Shareholder Return	Shareholder Value	Recovery Expected	Maximizing Returns	Board Oversight
Asset Utilization	Asset Optimization	Stabilizing	Efficiency Leadership	Board Oversight
Cost Efficiency	Cost Control	Efficiency Improvement	Industry Benchmark	Management Oversight
Risk Management	Risk Management	Maintaining Low Levels	Best-in-Class Risk Management	Risk Committee
Liquidity Strength	Financial Inclusion	Continued Growth	Market Leader	Management Oversight
Lending Expansion	Loan Growth	Targeted Expansion	Strong Portfolio	Management Oversight
Digital Adoption	Digital Transformation	Increasing Adoption	Market Dominance	IT & Digital Oversight
Digital Adoption	Digital Transformation	Increasing Adoption	Market Dominance	IT & Digital Oversight
Financial Inclusion	Financial Inclusion	Further Expansion	Largest Agent Network	Operations Oversight
Capital Strength	Regulatory Compliance	Regulatory Compliance	Capital Optimization	Regulatory Oversight
Service Quality	Customer Experience	Enhancing Service	Superior Customer Experience	Customer Service Oversight
Customer Loyalty	Brand Strength	Strengthening Loyalty	Top Financial Brand	Brand & Marketing Oversight
Market Expansion	Market Leadership	Expanding Customer Base	Largest Customer Base	Business Development Oversight
SME Growth	SME Focus	Accelerated Growth	Leading MSME Bank	Credit Risk Oversight
Corporate Lending	Corporate Banking	Corporate Market Focus	Leading Corporate Bank	Corporate Banking Oversight
Fee Income	Revenue Diversification	Growing Revenue Base	Diversified Income Streams	Finance & Revenue Oversight
Revenue Diversification	Non-Interest Income	Expanding Financial Services	Strong Fee-Based Income	Finance & Revenue Oversight

# Our Value Creation Business Model

## OUR CAPITAL INPUTS



### FINANCIAL CAPITAL



Strong balance sheet with Total assets BIF 1, 803 billion and equity BIF 143 billion  
Material market share of total customer deposits 16% and 20% of total assets



### INTELLECTUAL CAPITAL



We have an array of assets including the brand, reputation, **integrated footprint, and innovation capabilities.**



### HUMAN CAPITAL



**We nurture talented,** healthy and engaged employees, harnessing their collective knowledge and expertise to deliver impact for our stakeholders.



### MANUFACTURED CAPITAL



Our Manufactured capital includes **branches, buildings, a tier 3 data Centre, disaster recovery sites, remote and digital channels.**



### SOCIAL AND RELATIONSHIP CAPITAL



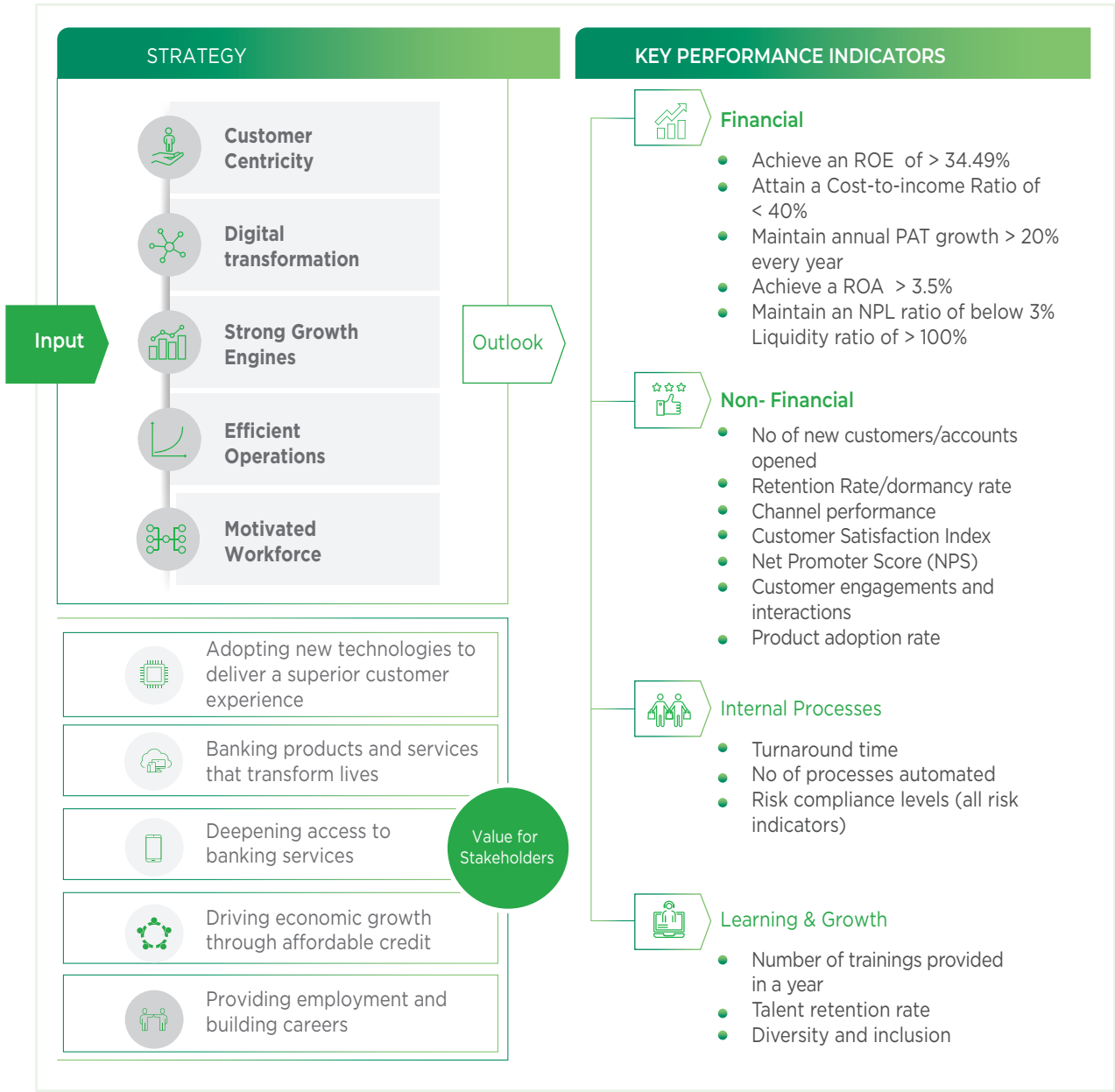
**We forge and maintain close relationships with our stakeholders in the communities we operate.** This helps understand their expectations and engage responsibly in a way that ensures satisfaction leading to support.



### NATURAL CAPITAL



Constitutes the **environmental resources** used throughout the Group's operations



# Our Material Matters

Below are the main material matters identified for CRDB Bank Burundi S.A. in 2024, the risk or impact each poses, and a note on how the Bank dealt with them during the year.

	Material Matter	Risk / Impact on Value Creation
<b>1.</b>	<b>Increasing Competition</b>	<ul style="list-style-type: none"> <li>• Could reduce market share if offerings are not kept competitive</li> <li>• Potential downward pressure on margins and revenues</li> </ul>
<b>2.</b>	<b>Disruptive Technologies</b>	<ul style="list-style-type: none"> <li>• Rapid tech changes can render existing channels outdated</li> <li>• Threat of cyber-attacks and data breaches</li> <li>• Potentially high compliance costs for technology upgrades</li> </ul>
<b>3.</b>	<b>Rising Stakeholder Expectations</b>	<ul style="list-style-type: none"> <li>• Reputational risk if expectations on service, transparency, or ESG are not met</li> <li>• Loss of investor/stakeholder confidence if communication is insufficient</li> </ul>
<b>4.</b>	<b>Ongoing Regulatory &amp; Policy Changes</b>	<ul style="list-style-type: none"> <li>• Increased costs to comply</li> <li>• Potential reputational damage from non-compliance</li> <li>• Possible effect on strategic plans if regulations shift unpredictably</li> </ul>
<b>5.</b>	<b>Emerging Risks (e.g., Climate Change)</b>	<ul style="list-style-type: none"> <li>• Physical risks (e.g., weather disruptions) that can affect branch operations or loan portfolios</li> <li>• Transition risks as global markets shift to low-carbon models</li> <li>• Heightened focus by investors/regulators on green financing</li> </ul>





### How the Bank Dealt with It in 2024

- Could reduce market share if offerings are not kept competitive
- Potential downward pressure on margins and revenues



- Strengthened IT infrastructure and cybersecurity (upgraded systems, ongoing risk assessments)
- Adopted data analytics to tailor products to customer needs
- Introduced more automated processes to improve efficiency

- Launched more frequent investor and stakeholder briefings
- Enhanced corporate disclosures for transparency
- Conducted staff and customer satisfaction surveys to improve engagement

- Allocated resources to a central compliance function
- Tightened monitoring and reporting (e.g., liquidity coverage ratio far above minimum)
- Engaged proactively with regulators in shaping future banking policies

- Began integrating climate-risk assessments in credit reviews
- Continued to promote “Green Financing” solutions
- Adopted energy-efficient measures in branches and offices
- Developed staff awareness programs on sustainability

# How we Engage Our Stakeholders

STAKEHOLDER	KEY INTERESTS	METHODS OF ENGAGEMENT
 <p><b>SHAREHOLDERS/ INVESTORS</b></p>	<ul style="list-style-type: none"> <li>• Sustainable returns on investment</li> <li>• Transparent reporting</li> <li>• Sound risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings (AGMs)</li> <li>• Annual reports</li> <li>• Regular investor briefings</li> </ul>
 <p><b>EMPLOYEES</b></p>	<ul style="list-style-type: none"> <li>• Fair remuneration &amp; benefits</li> <li>• Career growth, training</li> <li>• Safe work environment</li> <li>• Inclusion &amp; diversity</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous engagement via town halls, staff meetings, internal portals - Annual performance appraisals</li> <li>• Anonymous employee surveys</li> </ul>
 <p><b>CUSTOMERS</b></p>	<ul style="list-style-type: none"> <li>• Convenient &amp; secure access to banking services</li> <li>• Fair pricing &amp; transparency</li> <li>• Innovative solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings (AGMs)</li> <li>• Annual reports</li> <li>• Regular investor briefings</li> </ul>
 <p><b>SHAREHOLDERS/ INVESTORS</b></p>	<ul style="list-style-type: none"> <li>• Convenient &amp; secure access to banking services - Fair pricing &amp; transparency</li> <li>• Innovative solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Branch visits, phone hotlines, social media</li> <li>• Digital channels (mobile, internet banking)</li> </ul>
 <p><b>SUPPLIERS</b></p>	<ul style="list-style-type: none"> <li>• Fair and transparent procurement</li> <li>• Prompt payments</li> </ul>	<ul style="list-style-type: none"> <li>• Formal procurement processes</li> <li>• Competitive bidding</li> <li>• Contract negotiations</li> </ul>
 <p><b>REGULATORY AUTHORITIES</b></p>	<ul style="list-style-type: none"> <li>• Compliance with laws &amp; regulations</li> <li>• Financial stability</li> <li>• Contribution to regulatory frameworks</li> </ul>	<ul style="list-style-type: none"> <li>• Regular interaction &amp; submissions</li> <li>• Compliance reporting</li> <li>• Participation in industry forums</li> </ul>
 <p><b>GOVERNMENT</b></p>	<ul style="list-style-type: none"> <li>• Economic empowerment</li> <li>• Social welfare</li> <li>• Environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Social Investment (CSI) activities</li> <li>• Sponsorships &amp; partnerships</li> <li>• Financial literacy sessions</li> </ul>
 <p><b>COMMUNITY / SOCIETY</b></p>	<ul style="list-style-type: none"> <li>• Economic empowerment</li> <li>• Social welfare</li> <li>• Environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Social Investment (CSI) activities</li> <li>• Sponsorships &amp; partnerships</li> <li>• Financial literacy sessions</li> </ul>



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04





# Business Review

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# Managing Director's Statement



**Dear Shareholders,**

The 2024 financial year was a defining period for CRDB Bank Burundi S.A, characterized by transformative achievements in business expansion, operational excellence, and digital innovation.

Amid a shifting economic landscape, the Bank demonstrated resilience and maintained focus on advancing financial inclusion, enhancing customer value, and fostering sustainable development through cutting-edge financial solutions.

Being the second year of our five-year of our medium-term strategy (2023-2027), the 2024 FY year provided a solid grounding, enabling us to solidify our market leadership through customer-centric product evolution, instituting a comprehensive risk management framework, and cultivating strategic collaborations. Our focus on operational agility, coupled with prudent financial stewardship, enabled sustained growth and reinforced our position as a leading contributor to Burundi's evolving financial ecosystem.

## **Operational Performance & Business Growth**

During the year under review, CRDB Bank Burundi S.A sustained its impressive momentum, recording a significant expansion in key business segments. Our corporate banking division witnessed a 35% growth in corporate lending, highlighting our strategic focus on supporting businesses across diverse industries. We also strengthened relationships with new and existing corporate clients, reaffirming our reputation as a trusted financial partner.

Retail banking remained a key growth driver, with our efforts focused on expanding access to financial services. We launched a new branch - Intahe Premier Branch in December 2024, and are set to establish four



additional branches by the end of 2025. Additionally, the number of active accounts increased by 32%, reflecting heightened customer engagement and trust in our services.

To enhance customer experience and financial inclusion, we accelerated the growth of our agency banking network and digital banking services. The expansion of the “Turi Hose” agency banking network to 2,000 outlets facilitated over 1 million transactions, representing an impressive 292.6% year-on-year increase. Mobile banking transactions grew by 48.6%, while internet banking transactions surged by 63.7%, demonstrating strong digital adoption among our customers.

### Strategic Initiatives and Digital Transformation

Our bank remains steadfast in driving a customer-centric digital transformation agenda. In 2024, we introduced several key digital innovations, including Visa Online and LUMITEL, while integrating REGIDESO for seamless utility

payments. We also upgraded our Internet Banking and SimBanking platforms, migrating to a more efficient Enterprise Service Bus (ESB) and transitioning our Cards & ATM system to the Smart VISTA platform for enhanced performance and security.

Looking ahead to 2025, we will finalize integrations with Terrapay, OBR, Lipa Namba, PAFE (Immigration Authority), and MEDIABOX to further enrich our customers’ digital banking experience. We are also looking to launch a new SimBanking App and introduce SimBanking auto-registration via ATMs with a view to making mobile banking more accessible and seamless.

As part of our financial inclusion strategy, we will continue to expand access to credit for underserved markets, particularly MSMEs, women entrepreneurs, and agricultural businesses. During the 2024 FY, MSME loans surged to BIF 19.4 billion, driven by dedicated account managers and field officers working to enhance grassroots financial access.

## 2024 at a Glance

Profit Before Tax  
**46.9**  
*BIF Billions*

Net Profit  
**44.5**  
*BIF Billions*

Total Assets  
**1.8**  
*BIF Trillion*

Total Deposits  
**842.3**  
*BIF Billions*

Net Loans  
**911.9**

Return on Equity (ROE)  
**31.1%**

Return on Assets (ROA)  
**3.2%**

Cost-to-Income Ratio (CIR)  
**47.1%**



## Financial Performance

In all accounts, CRDB Bank Burundi SA delivered outstanding financial results in 2024, demonstrating strong growth across key performance indicators. We achieved a Profit Before Tax (PBT) of BIF 46.8 billion, marking a remarkable 42% increase from the previous year. Our net profit rose by 41% to BIF 44.5 billion, reflecting robust revenue expansion and disciplined cost management.

Our total assets grew significantly, increasing by 61% to BIF 1.8 trillion, while customer deposits increased by 38% to BIF 842.3 billion. This growth highlights the confidence our customers continue to place in us even as we optimise our touchpoints. Loans and advances expanded by 33% to BIF 911.9 billion, supporting our commitment to financing economic growth. Interest income rose by a significant 57% to BIF 122.8 billion, further reinforcing our strong financial foundation. Additionally, non-funded income increased by 30%, driven by the growing adoption of digital transactions and fee-based services.

Maintaining financial stability and portfolio quality remained a priority, with our Non-Performing Loans (NPL) ratio held at a low 1.2%, significantly outperforming the industry average of 4.1%. This achievement highlights our prudent risk management approach and commitment to responsible lending.

These impressive results were driven by strategic cost optimization, revenue diversification, and digital expansion, positioning us for sustained long-term growth. With a Return on Equity (ROE) of 31.1%, CRDB Bank Burundi S.A. continues to deliver exceptional value to its shareholders while advancing financial inclusion and economic development in Burundi.

## Thought Leadership & Sustainable Banking

Sustainability and Environmental, Social, and Governance (ESG) principles remained integral to our operations. In line with our parent company's sustainability strategy, we continued to embed sustainability principles such as climate risk assessments into credit evaluations and sustained investments in social impact initiatives, along the pillars of health, education, and environmental sustainability.

As a conscious decision, CRDB Bank Burundi S.A. has taken a leadership role in advancing green finance and are actively working with stakeholders to support renewable energy projects and sustainability-focused credit programs within our market. We aim to scale up financing for green initiatives, aligning our banking operations with global climate resilience goals.



**33.7%**

Growth in SimBanking registered users



**48.6%**

SimBanking transactions



**63.7%**

Growth in Internet banking transactions



**2000**

Turi Hose agency banking network expansion



**292.6%**

Growth in agency banking transactions  
1,020,079 transactions recorded



*Retail banking remained a key growth driver, with our efforts focused on expanding access to financial services. We launched a new branch - Intahe Premier Branch in December 2024, and are set to establish four additional branches by the end of 2025.*



**Acknowledgements**

I wish to take this opportunity to extend my deepest gratitude to our customers, employees, shareholders, regulators, and other stakeholders for their continued trust and support. The progress we have achieved in 2024 is a testament to our collective resilience, innovation, and shared vision for a more inclusive and sustainable financial future. I also extend my sincere appreciation to our parent company, CRDB Bank Plc, for its unwavering guidance and strategic support, which has been instrumental in driving our success.

Furthermore, I acknowledge the invaluable collaboration of stakeholders in the public sector in Burundi, whose partnership continues to strengthen our efforts in advancing financial inclusion and economic growth.

Together, we will continue to build a stronger, more impactful CRDB Bank in Burundi.

*F. Siwale*  
**Fredrick Siwale**  
 Managing Director

**Looking Ahead**

As we look forward to 2025, we are confident that as a market leader in Burundi, our bank is strategically angled to sustain its growth trajectory, deepen financial inclusion, and pioneer digital banking innovation. Our focus in the new year will be on expanding market reach through the strategic growth of our branch network and enhancing our digital banking platforms to deliver seamless customer experiences.

A key cog of our operational transformation will be the implementation of the Temenos Transact T24 Core Banking System, that will modernize banking processes, optimize efficiency, and elevate service excellence. From a business growth perspective, we are committed to strengthening our SME and MSME lending portfolios, with a dedicated focus on empowering youth- and women-led enterprises, as well as agribusinesses critical to Burundi's

economic development. In response to evolving digital demands, we will prioritize scaling our cybersecurity infrastructure to safeguard customer assets, mitigate risks, and fortify trust in our digital ecosystem. Equally important is our investment in talent development, ensuring our workforce remains equipped with the skills and expertise required to excel in an increasingly digital financial landscape. Through the execution of these strategic priorities, CRDB Bank Burundi S.A will reinforce its leadership in the financial sector, driving sustainable value for customers, shareholders, and the communities we serve.

We are also prioritizing financial literacy and customer empowerment, introducing the "Customer Rafiki" initiative, which assigns dedicated staff in each branch to assist customers in accessing digital banking platforms and understanding banking services.

# Administrateur Directeur Général



**Chers actionnaires,**

L'exercice financier 2024 a été une période déterminante pour CRDB Bank Burundi S.A, marquée par des réalisations majeures dans l'expansion de nos activités, l'excellence opérationnelle et l'innovation numérique.

L'exercice financier 2024 a été une période déterminante pour CRDB Bank Burundi S.A, marquée par des réalisations majeures dans l'expansion de nos activités, l'excellence opérationnelle et l'innovation numérique. Dans un environnement économique en mutation, la Banque a fait preuve de résilience et est demeurée focalisée sur l'approfondissement de l'inclusion financière, la création de valeur pour la clientèle et la promotion d'un développement durable grâce à des solutions financières de pointe.

En cette deuxième année de notre stratégie quinquennale (2023–2027), l'exercice 2024 a jeté des bases solides qui nous ont permis de consolider notre position de leader sur le marché, grâce à l'évolution de nos produits centrés sur le client, à l'établissement d'un cadre complet de gestion des risques et au développement de partenariats stratégiques. Notre volonté d'agilité opérationnelle, combinée à une gestion financière prudente, nous ont permis de maintenir une croissance soutenue et de renforcer notre rôle de contributeur de premier plan dans l'écosystème financier en pleine évolution du Burundi.

## **Performance opérationnelle et croissance des activités**

Au cours de l'année sous revue, CRDB Bank Burundi S.A a conservé son élan remarquable, en enregistrant une croissance significative dans ses principaux segments d'activités. Notre division « Corporate Banking » a affiché une hausse de 35 % du crédit aux entreprises, soulignant notre volonté de soutenir les sociétés de divers secteurs. Nous avons également renforcé nos relations avec nos clients, qu'ils soient nouveaux ou existants, ce qui confirme notre réputation de partenaire financier de confiance.



La banque de détail est restée un moteur clé de notre croissance, nos efforts visant avant tout à étendre l'accès aux services financiers. Nous avons inauguré une nouvelle agence — Intahe Premier Branch — en décembre 2024 et prévoyons d'en ouvrir quatre autres d'ici la fin de l'année 2025. Par ailleurs, le nombre de comptes actifs a augmenté de 32 %, témoignant de l'engagement croissant de la clientèle et de sa confiance dans nos services.

Pour améliorer l'expérience client et promouvoir l'inclusion financière, nous avons accéléré l'expansion de notre réseau d'agences bancaires et de nos services de banque numérique. Grâce à l'extension du réseau d'agences « Turi Hose » à 2 000 points de service, plus d'un million de transactions ont été réalisées, marquant une croissance annuelle de 292,6 %. Les transactions via la banque mobile ont progressé de 48,6 %, tandis que celles sur Internet Banking ont bondi de 63,7 %, illustrant l'adoption massive de nos solutions numériques par nos clients.

### Initiatives stratégiques et transformation numérique

Notre banque demeure fermement engagée à mener une transformation numérique centrée sur le client. En 2024, nous avons introduit plusieurs innovations numériques clés, dont Visa Online et LUMITEL, tout en intégrant REGIDESO pour simplifier le paiement des factures de services publics. Nous avons également procédé à la mise à niveau de nos plateformes Internet Banking et SimBanking, en migrant vers un Enterprise Service Bus (ESB) plus performant et en adoptant la solution Smart VISTA pour nos systèmes de cartes et de distributeurs automatiques, renforçant ainsi la performance et la sécurité.

En 2025, nous finaliserons les intégrations avec Terrapay, OBR, Lipa Namba, PAFE (Immigration) et MEDIABOX afin d'enrichir davantage l'expérience numérique de nos clients. Nous prévoyons également de lancer une nouvelle application SimBanking et de proposer l'inscription automatique à SimBanking via les distributeurs automatiques, dans le but de rendre la banque mobile encore plus accessible et fluide.

## 2024 en un coup d'œil

Bénéfice avant impôt



Bénéfice net



Total des actifs



Total des dépôts



Prêts nets



Rentabilité des capitaux propres (ROE)



Rentabilité des actifs



Ratio coût/revenu





Conformément à notre stratégie d'inclusion financière, nous continuerons à élargir l'accès au crédit pour les marchés insuffisamment servis, en particulier les MPME, les femmes entrepreneures et les entreprises agricoles. Au cours de l'exercice 2024, les prêts aux MPME ont atteint 19,4 milliards BIF, grâce à l'implication d'agents de comptes et de conseillers de terrain dédiés, œuvrant à renforcer l'accès aux services financiers de proximité.

### Performance financière

CRDB Bank Burundi S.A. a enregistré en 2024 d'excellents résultats financiers, marquant une solide progression des indicateurs clés de performance. Le Résultat Avant Impôts (PBT) s'établit à 46,9 milliards BIF, en hausse de 42 % par rapport à l'exercice précédent. Le résultat net progresse de 41 % pour atteindre 44,5 milliards BIF, témoignant d'une forte croissance des revenus et d'une gestion rigoureuse des coûts.

Nos actifs totaux ont connu une progression notable de 61 %, atteignant 1,8 billion BIF, tandis que les dépôts de la clientèle ont augmenté de 38 % pour s'établir à 842,3 milliards BIF. Cette performance reflète la confiance renouvelée de nos clients et l'optimisation de nos canaux de distribution. Les prêts et avances ont progressé de 33 % pour s'élever à 911,9 milliards BIF, confortant notre engagement en faveur du financement de la croissance économique. Parallèlement, les revenus d'intérêts ont augmenté de 57 % pour atteindre 122,8 milliards BIF, renforçant davantage notre base financière solide. De plus, les revenus hors intérêts ont progressé de 30 %, soutenus par l'adoption accrue des transactions numériques et la diversification de nos services rémunérés.

La stabilité financière et la qualité du portefeuille sont restées prioritaires, avec un taux de créances non performantes (NPL) de seulement 1,2 %, nettement inférieur à la moyenne du secteur, qui se situe à 4,1 %. Cette réussite résulte de notre approche prudente en matière de gestion des risques et de notre engagement en faveur d'un octroi de crédit responsable.

Ces excellents résultats découlent notamment de l'optimisation stratégique des coûts, de la diversification des revenus et de l'expansion digitale, nous positionnant favorablement pour une croissance durable à long terme. Avec un ROE (rendement des fonds propres) de 31,1 %, CRDB Bank Burundi S.A. continue de créer une valeur exceptionnelle pour ses actionnaires, tout en faisant progresser l'inclusion financière et le développement économique au Burundi.

### Leadership éclairé et durable

Les principes de durabilité ainsi que les critères environnementaux, sociaux et de gouvernance (ESG) ont continué d'être intégrés à nos opérations. Conformément à la stratégie de notre société-mère, nous avons poursuivi l'intégration d'évaluations des risques climatiques dans nos analyses de crédit et maintenu des investissements dans des initiatives à impact social, centrées sur la santé, l'éducation et la protection de l'environnement.



**33.7%**

Growth in SimBanking registered users



**48.6%**

SimBanking transactions



**63.7%**

Growth in Internet banking transactions



**2 000**

Turi Hose agency banking network expansion



**292.6%**

Growth in agency banking transactions 1,020,079 transactions recorded



*La banque de détail est restée un moteur clé de notre croissance, nos efforts visant avant tout à étendre l'accès aux services financiers. Nous avons inauguré une nouvelle agence — Intahe Premier Branch — en décembre 2024 et prévoyons d'en ouvrir quatre autres d'ici la fin de l'année 2025*



Fidèle à sa démarche responsable, CRDB Bank Burundi S.A. assume un rôle de premier plan dans la promotion de la finance verte et collabore activement avec les différentes parties prenantes pour soutenir des projets d'énergies renouvelables et des programmes de crédit axés sur la durabilité. Nous visons à accroître nos financements destinés à des initiatives vertes, alignant ainsi nos opérations bancaires sur les objectifs mondiaux de résilience climatique.

**Perspectives**

Alors que nous abordons 2025, nous sommes convaincus qu'en tant que leader du marché au Burundi, notre banque est idéalement positionnée pour maintenir sa trajectoire de croissance, intensifier l'inclusion financière et demeurer pionnière dans l'innovation de la banque numérique. Dans l'année à venir, nous mettrons l'accent sur l'élargissement de notre présence commerciale via l'expansion stratégique de notre réseau d'agences, et sur le renforcement de nos plateformes de banque numérique afin d'offrir une expérience client fluide.

Un axe majeur de notre transformation opérationnelle consistera en la mise en œuvre du Temenos Transact T24 Core Banking System, qui modernisera nos processus, optimisera l'efficacité et renforcera l'excellence de notre service. Sur le plan de la croissance de nos activités, nous restons engagés à développer nos portefeuilles de prêts aux PME et MPME, en concentrant nos efforts sur l'autonomisation des entreprises dirigées par des jeunes et des femmes, ainsi que sur le secteur agricole, essentiel au développement économique du Burundi.

Au regard de l'évolution des attentes en matière de numérique, nous donnerons la priorité au renforcement de nos infrastructures de cybersécurité afin de protéger les actifs de nos clients, de réduire les risques et de consolider la confiance dans notre écosystème digital. Par ailleurs, nous poursuivrons nos investissements dans la formation et le développement de nos collaborateurs, afin de garantir qu'ils disposent des compétences et de l'expertise nécessaires pour exceller dans un paysage financier toujours plus

digitalisé. Par l'exécution de ces priorités stratégiques, CRDB Bank Burundi S.A. continuera d'affermir son leadership dans le secteur financier, tout en créant de la valeur durable pour ses clients, ses actionnaires et l'ensemble des communautés qu'elle sert.

Nous accorderons également une attention particulière à l'éducation financière et à la responsabilisation de nos clients, en lançant l'initiative « Customer Rafiki », qui prévoit la mise à disposition de personnel dédié dans chaque agence pour accompagner les clients dans l'accès aux plateformes de banque numérique et pour leur offrir une meilleure compréhension des services bancaires.

**Remerciements**

Je souhaite saisir cette occasion pour exprimer ma plus profonde gratitude à nos clients, employés, actionnaires, régulateurs, membres du conseil d'administration et autres parties prenantes pour leur confiance et leur soutien continu. Les progrès réalisés en 2024 sont le fruit de notre résilience collective, de notre esprit d'innovation et de notre vision commune d'un avenir financier plus inclusif et plus durable.

J'adresse également mes sincères remerciements à notre maison-mère, CRDB Bank Plc, pour son accompagnement indéfectible et son soutien stratégique, facteurs déterminants dans la réussite que nous connaissons aujourd'hui.

Enfin, je souligne la collaboration inestimable des acteurs du secteur public au Burundi, dont le partenariat soutient nos efforts pour faire progresser l'inclusion financière et la croissance économique. Ensemble, nous continuerons à bâtir un CRDB Bank plus solide et à fort impact au Burundi.

*F. Siwale*  
**Fredrick Siwale**  
 Administrateur Directeur Général

# Statement by the Director of Finance and Administration



**Paul Ayumwi Mlay, CPA**  
**Director of Finance and Administration**

**Dear Shareholders,**

The year 2024 was a period of exceptional financial growth and strategic transformation for CRDB Bank Burundi SA.

At the heart of this strategy is a deep commitment to enhancing the customer experience through tailored financial solutions and digital accessibility. This approach paid off in 2024 with a **37.8%** increase in deposits and a **33.1%** growth in loans and advances, fuelled by demand from retail clients, SMEs, corporates, and the diaspora community.

Amidst global and regional economic shifts, we maintained a robust financial position, leveraging digital innovations, credit portfolio growth, and capital optimisation. As a result, the bank recorded a PBT of BIF 46.9 billion, a 42% increase from 2023, reflecting strong revenue expansion, improved cost management, and strategic investments in digital banking.

We remained well-capitalized, with total assets growing by 61% to BIF 1.8 trillion, further strengthening our balance sheet resilience. Our Return on Equity (ROE) stood at 31.1%, reinforcing our commitment to delivering sustainable shareholder value.

## **A Review of the Financial Metrics**

Our 2024 financial performance was driven by growth in core banking activities, increased efficiency, and a balanced approach to risk management.



## 2024 at a Glance

Profit Before Tax  
**46.9**  
 BIF Billions

Net Profit  
**44.5**  
 BIF Billions

Total Assets  
**1.8**  
 BIF Trillion

Total Deposits  
**842.3**  
 BIF Billions

Net Loans  
**911.9**

Return on Equity (ROE)  
**31.1%**

Return on Assets (ROA)  
**3.2%**

Cost-to-Income Ratio (CIR)  
**47.1%**

### Summary of key financial indicators

Key Indicator	2024 (BIF)	2023 (BIF)	YoY Growth
Profit Before Tax	46.9 billion	33.1 billion	42%
Net Profit	44.5 billion	31.5 billion	41%
Total Assets	1.8 trillion	1.1 trillion	61%
Total Deposits	842.3 billion	611.1 billion	38%
Net Loan Portfolio	911.9 billion	684.9 billion	33%
Return on Equity (ROE)	31.1%	34.5%	(3.4%)
Return on Assets (ROA)	3.2%	3.6%	(0.4%)
Cost-to-Income Ratio (CIR)	47.1%	43.0%	(4.1%)
Non-Performing Loans (NPL) Ratio	1.2%	0.2%	(1.0%)

Our strong financial position was reinforced by a 57% increase in interest income, primarily driven by an expansion of our loan book, while non-interest income grew by 30%, reflecting enhanced fee-based services and digital transaction volumes. The decline in Return on Equity (ROE) from 34.5% to 31.1% was driven by capital growth, while the drop in Return on Assets (ROA) from 3.6% to 3.2% resulted from a significant increase in total assets. Meanwhile, the deterioration in the Cost-to-Income Ratio (CIR) from 43.0% to 47.1% was primarily due to higher taxes on net income.

### Capital Position

During the year under review, we continued to exceed regulatory capital requirements, ensuring a robust capital position that underpins our long-term business growth and resilience. Our Core Capital Ratio stood at 17.8%, well above the 12.5% regulatory

minimum, while our Total Capital Ratio reached 18.3%, exceeding the 14.5% requirement. Additionally, our Hard Core Capital Ratio remained strong at 14.4%, reflecting our commitment to financial stability and prudent risk management.



Our funding structure remained well-balanced, diversifying risk while maintaining a low cost of funds. Customer deposits accounted for 54% of total funding, demonstrating strong depositor confidence and the bank's ability to mobilize stable liquidity. Borrowings contributed 36%, providing access to cost-efficient capital for lending expansion, while equity comprised 10%, reinforcing our capital adequacy. This optimal funding mix enabled us to expand credit access to key economic segments, including MSMEs, women entrepreneurs, and the agricultural sector - while sustaining long-term profitability.

We strongly believe that maintaining a well-capitalized and efficiently funded balance sheet, positions us in a vantage place to support future business expansion, enhance risk resilience, and drive sustainable financial inclusion across Burundi.

**Cost Management & Operational Efficiency**

As we expanded our operations and accelerated our digital transformation agenda, we remained committed to prudent cost management to ensure long-term sustainability and profitability. Although staff and administrative expenses rose by 60% to BIF 47.9 billion, the increase reflects our strategic investments in workforce development, talent acquisition, and operational expansion to support our growing customer base and service offerings. Cost-to-Income Ratio (CIR) increased to 47.1%, up from 43.0% in 2023, primarily driven by higher operational expenses linked to branch network expansion, technology upgrades, and tax obligations. Despite these rising costs, our disciplined financial approach ensured that investments remained aligned with our growth strategy and efficiency goals.

To mitigate cost pressures and enhance operational efficiency, we implemented process optimization initiatives, automated key banking operations, and strengthened our digital banking capabilities. These measures helped to reduce transactional costs, improve service delivery, and enhance the overall customer experience. Moving forward, we will continue to leverage technology-driven efficiencies and strategic cost controls to maintain sustainable growth while delivering value-driven banking solutions.

**Lending & Credit Performance**

During the 2024 FY, our bank achieved remarkable growth in its lending portfolio, highlighting our commitment to financial inclusion and economic empowerment. The bank's total credit portfolio expanded by 33%, reaching BIF 911.9 billion, driven by targeted



*Moving forward, we remain deeply committed to responsible lending, prioritizing credit quality while expanding access to underserved markets. Special attention will continue to be given to MSMEs, women entrepreneurs, and agribusinesses, as we strive to drive inclusive economic growth and financial empowerment across Burundi.*



financing strategies that supported businesses and individuals across key economic sectors. A key highlight of the year was the substantial growth in MSME lending, where total loans surged to BIF 19.4 billion. This success was facilitated by dedicated account managers and field officers, who played a pivotal role in extending credit to micro, small, and medium enterprises, ensuring that entrepreneurs and businesses had access to the financial support needed for expansion and sustainability.

The bank also maintained exceptional asset quality, with Non-Performing Loans (NPLs) closing at 1.2%, significantly lower than the industry average of 4.1%. This demonstrates CRDB Bank Burundi's robust risk management framework, which ensures that loan growth is balanced with strong credit discipline and proactive portfolio monitoring.

Moving forward, we remain deeply committed to responsible lending, prioritizing credit quality while expanding access to underserved markets. Special attention will continue to be given to MSMEs, women entrepreneurs, and agribusinesses, as we strive to

drive inclusive economic growth and financial empowerment across Burundi.

**Digital Banking & Revenue Diversification**

One of our key successes in 2024 was the enhancement of our digital banking offerings. As such, digital banking continued to be a key driver of revenue diversification and operational efficiency, as customers increasingly embraced convenient, technology-driven financial solutions. Our mobile banking ecosystem saw remarkable growth, with transactions rising by 48.6%, while SimBanking users expanded by 33.7%, demonstrating a growing preference for mobile-based financial services.

The adoption of internet banking surged by 63.7%, reflecting increased customer trust in digital channels and the bank's ongoing efforts to enhance user experience, security, and accessibility. In parallel, agency banking transactions skyrocketed by 292.6%, driven by the rapid expansion of our "Turi Hose" network, which grew to 2,000 agents nationwide, extending financial services to underserved

communities.

This strong digital performance translated into significant non-funded income growth of 30%, fuelled by increased digital transaction fees, bancassurance services, and cross-border remittances. As we continue to expand our digital capabilities, we remain committed to enhancing financial inclusion, streamlining banking operations, and delivering innovative solutions that meet the evolving needs of our customers.

**Future Outlook**

As we set our sights on 2025, we remain committed to driving financial innovation, expanding access to credit, and enhancing operational efficiency. A key priority will be finalizing critical integrations to bolster our digital banking ecosystem and improving cross-border transactions, utility payments, and government service integrations.

Recognizing the importance of financial inclusion, we will continue expanding credit access to MSMEs, women entrepreneurs, and agribusinesses, leveraging specialized financing models to empower underserved segments and contribute to economic growth. At the same time, cost optimization will remain a strategic focus, with efforts directed at reducing the Cost-to-Income Ratio (CIR) to below 45%, ensuring long-term profitability while maintaining service excellence.

Finally, we will reinforce our capital base, ensuring sustainable growth through prudent risk management and innovation-driven financial solutions. We believe that maintaining a resilient financial position will shore our ability to navigate economic shifts, capitalize on new opportunities, and deliver exceptional value to our customers and stakeholders in the year ahead.

**Paul Mlay, CPA**  
 Director of Finance and Administration

# Déclaration du Directeur Administratif et Financier



**Paul Ayumwi Mlay, CPA**  
**Directeur Administratif et Financier**

**Dear Shareholders,**

L'exercice fiscal 2024 a été une période de croissance financière exceptionnelle et de transformation stratégique pour CRDB Bank Burundi SA.

Au cœur de cette stratégie se trouve un engagement profond à améliorer l'expérience client grâce à des solutions financières sur mesure et à l'accessibilité numérique. Cette approche a porté ses fruits en 2024, avec une augmentation de 37,8 % des dépôts et une croissance de 33,1 % des prêts et avances, stimulées par la demande des clients particuliers, des PME, des entreprises et de la communauté de la diaspora.

Malgré les fluctuations économiques mondiales et régionales, nous avons maintenu une position financière robuste en tirant parti des innovations numériques, de la croissance du portefeuille de crédits et de l'optimisation des capitaux. Ainsi, la banque a enregistré un bénéfice avant impôt (BAI) de 46,9 milliards de BIF, soit une augmentation de 42 % par rapport à 2023, reflétant une forte expansion des revenus, une meilleure gestion des coûts et des investissements stratégiques dans la banque numérique.

Nous sommes restés solidement capitalisés, avec un actif total en hausse de 61 % pour atteindre 1 800 milliards de BIF, renforçant ainsi la résilience de notre bilan. Notre Rendement des Capitaux Propres (ROE) s'est établi à 31,1 %, confirmant notre engagement à offrir une valeur actionnariale durable.

## **Revue des indicateurs financiers**

Notre performance financière 2024 a été portée par la croissance des activités bancaires de base, une efficacité accrue et une approche équilibrée de la gestion des risques.



2024 en un coup d'œil

Bénéfice avant impôt



Bénéfice net



Total des actifs



Total des dépôts



Prêts nets



Rentabilité des capitaux propres



Rentabilité des actifs



Ratio coût/revenu



Résumé des indicateurs clé

Indicateur clé	2024 (BIF)	2023 (BIF)	Croissance annuelle
Résultat avant impôts (PBT)	46,9 milliards	33,1 milliards	42%
Résultat net	44,5 milliards	31,5 milliards	41%
Total des actifs	1 800 milliards	1 100 milliards	61%
Dépôts totaux	842,3 milliards	611,1 milliards	38%
Portefeuille de crédits nets	911,9 milliards	684,9 milliards	33%
ROE (Rendement des capitaux propres)	31,1 %	34,5 %	(3.4%)
ROA (Rendement des Actifs)	3,2 %	3,6 %	(0.4%)
CIR (Ratio coût/Revenu)	47,1 %	43,0 %	(4.1%)
Taux de créances non performantes	1.2%	0.2%	(1.0%)

Notre position financière solide a été renforcée par une hausse de 57 % des produits d'intérêt, principalement due à l'expansion de notre portefeuille de prêts, tandis que les produits hors intérêt ont augmenté de 30 %, grâce à l'amélioration des services à frais et des volumes de transactions numériques. La baisse du rendement des capitaux propres (ROE) de 34,5 % à 31,1 % s'explique par la croissance du capital, tandis que la diminution du rendement des actifs (ROA) de 3,6 % à 3,2 % résulte d'une augmentation significative du total des actifs. Par ailleurs, la détérioration du ratio coûts/revenus (CIR), passé de 43,0 % à 47,1 %, est principalement due à une fiscalité plus élevée sur le résultat net.

Situation des capitaux

Au cours de l'exercice sous revue, nous avons continué de dépasser les exigences réglementaires en matière de capital, assurant une position solide soutenant notre croissance à long terme et notre résilience. Notre ratio de capital de base (Core Capital Ratio) s'est établi à 17,6 %, bien au-dessus du minimum réglementaire de 12,5 %, tandis que notre ratio de capital total (Total Capital Ratio)

a atteint 18,0 %, dépassant l'exigence de 14,5 %. Notre ratio de capital dur (hard-core Capital Ratio) est resté solide à 14,2 %, reflétant notre engagement en faveur de la stabilité financière et d'une gestion prudente des risques.



Notre structure de financement est demeurée équilibrée, diversifiant ainsi les risques tout en préservant un faible coût des fonds. Les dépôts clients représentaient 54 % du financement total, témoignant de la confiance des déposants et de la capacité de la banque à mobiliser une liquidité stable. Les emprunts ont contribué à hauteur de 36 %, offrant un accès à des capitaux rentables pour l'expansion des prêts, tandis que les fonds propres ont constitué 10 %, soutenant notre adéquation en capital. Cette structure de financement optimale nous a permis d'élargir l'accès au crédit dans des segments économiques clés, notamment les MPME, les femmes entrepreneures et le secteur agricole, tout en maintenant une rentabilité à long terme.

Nous restons convaincus que le maintien d'un bilan bien capitalisé et financé de manière efficiente nous place en position favorable pour soutenir l'expansion future de nos activités, renforcer notre résilience face aux risques et promouvoir une inclusion financière durable à travers la République du Burundi.

### **Gestion des coûts et efficacité opérationnelle**

Alors que nous avons étendu nos opérations et accéléré notre agenda de transformation numérique, nous sommes demeurés attachés à une gestion prudente des coûts afin de garantir la viabilité et la rentabilité à long terme. Bien que les charges de personnel et les dépenses administratives aient augmenté de 60 % pour s'établir à 47,9 milliards BIF, cette hausse reflète nos investissements stratégiques dans le développement du personnel, le recrutement de talents et l'expansion opérationnelle destinés à soutenir notre clientèle en pleine croissance et la diversification de nos services. Le ratio CIR est passé à 47,1 %, contre 43,0 % en 2023, principalement en raison d'une obligation fiscale sur le produit net bancaire, de la hausse des coûts opérationnels liés à l'expansion du réseau d'agences et aux mises à niveau technologiques. Malgré ces coûts croissants, notre approche financière disciplinée a permis de veiller à ce que les investissements soient en phase avec notre stratégie de croissance et nos objectifs d'efficacité.

Pour atténuer les pressions sur les coûts et améliorer l'efficacité opérationnelle, nous avons mis en œuvre des initiatives d'optimisation des processus, automatisé des opérations bancaires clés et renforcé nos capacités de banque digitale. Ces mesures ont contribué à réduire les coûts transactionnels, à améliorer la qualité du service et à optimiser l'expérience client. À l'avenir, nous continuerons de miser sur les gains d'efficacité portés par la technologie et de mettre en place des contrôles de coûts stratégiques pour maintenir une croissance durable tout en offrant des solutions bancaires à forte valeur ajoutée.

### **Prêts et performance du crédit**

Au cours de l'exercice 2024, notre banque a réalisé une croissance remarquable de son portefeuille de prêts, confirmant ainsi son engagement en faveur de l'inclusion financière et de l'autonomisation économique. Le portefeuille de crédits a progressé de 33 %, atteignant 911,9 milliards BIF, grâce à des stratégies de financement ciblées qui ont soutenu les entreprises et les particuliers dans des secteurs économiques clés. Un fait marquant de l'année a été la forte expansion des prêts aux MPME, dont le volume total a atteint 19,4 milliards BIF. Ce succès a été rendu possible par la mobilisation d'agents de compte et de chargés de terrain dédiés, qui ont joué un rôle essentiel dans l'octroi de crédits aux micro, petites et moyennes entreprises, leur permettant d'accéder aux ressources financières nécessaires à leur croissance et leur pérennité.



*Moving forward, we remain deeply committed to responsible lending, prioritizing credit quality while expanding access to underserved markets. Special attention will continue to be given to MSMEs, women entrepreneurs, and agribusinesses, as we strive to drive inclusive economic growth and financial empowerment across Burundi.*



La banque a également maintenu une qualité d'actifs exceptionnelle, avec un taux de créances douteuses (NPL) s'établissant à 1,2 %, nettement inférieur à la moyenne du secteur de 4,1 %. Ceci illustre l'efficacité de notre cadre de gestion des risques, qui veille à concilier croissance du crédit et discipline stricte en matière de risques, ainsi qu'un suivi proactif du portefeuille.

À l'avenir, nous restons fermement engagés dans un octroi de crédits responsable, en privilégiant la qualité du portefeuille tout en élargissant l'accès au crédit dans les marchés mal desservis. Une attention particulière continuera d'être accordée aux MPME, aux femmes entrepreneures et aux entreprises du secteur agricole, dans le but de stimuler une croissance économique inclusive et de promouvoir l'autonomisation financière dans tout le pays.

**Banque digitale et diversification des revenus**

L'un de nos principaux succès en 2024 réside dans l'amélioration de nos services de banque digitale. Ainsi, la banque digitale a continué de jouer un rôle clé dans la diversification des revenus et l'efficacité opérationnelle, à mesure que les clients optent davantage

pour des solutions financières pratiques et technologiques. Notre écosystème de services bancaires mobiles a connu une croissance notable, avec une augmentation de 48,6 % des transactions, tandis que le nombre d'utilisateurs de SimBanking a progressé de 33,7 %, traduisant une préférence grandissante pour les services financiers mobiles.

L'adoption de la banque en ligne a augmenté de 63,7 %, traduisant la confiance croissante des clients dans les canaux digitaux et les efforts continus de la banque pour améliorer l'expérience utilisateur, la sécurité et l'accessibilité. Parallèlement, les transactions via l'agence bancaire ont enregistré une hausse spectaculaire de 292,6 %, portée par l'expansion rapide de notre réseau Turi Hose, qui compte désormais 2 000 agents à travers le pays, offrant des services financiers aux communautés peu ou mal desservies.

Cette forte dynamique numérique s'est traduite par une augmentation significative de 30 % des revenus non générés par les intérêts, soutenue par l'augmentation des frais de transaction numérique, des gains de change et des transferts transfrontaliers. Alors que nous

continuons à développer nos capacités numériques, nous restons déterminés à promouvoir l'inclusion financière, à rationaliser les opérations bancaires et à proposer des solutions innovantes qui répondent aux besoins évolutifs de nos clients.

**Perspectives d'avenir**

À l'approche de 2025, nous réaffirmons notre volonté de stimuler l'innovation financière, d'élargir l'accès au crédit et d'améliorer l'efficacité opérationnelle. L'une de nos priorités sera de finaliser des intégrations cruciales afin de renforcer notre écosystème de services bancaires digitaux et de perfectionner les transactions transfrontalières, les paiements de services publics et les services gouvernementaux intégrés.

Conscients de l'importance de l'inclusion financière, nous continuerons à étendre l'accès au crédit en direction des MPME, des femmes entrepreneures et des entreprises du secteur agricole, en nous appuyant sur des modèles de financement spécialisés pour soutenir les segments insuffisamment desservis et contribuer à la croissance économique. Parallèlement, l'optimisation des coûts restera un axe stratégique, avec pour ambition de ramener le ratio CIR à environ 40 %, assurant ainsi une rentabilité à long terme tout en maintenant l'excellence du service.

Enfin, nous renforcerons notre base de capital, afin de soutenir une croissance durable grâce à une gestion prudente des risques et à des solutions financières axées sur l'innovation. Nous sommes convaincus que le maintien d'une situation financière solide fortifiera notre capacité à affronter les fluctuations économiques, à saisir les nouvelles opportunités et à offrir une valeur exceptionnelle à nos clients et à nos parties prenantes au cours de l'année à venir.

  
**Paul Mlay, CPA**  
 Directeur Administratif et Financier

# Business Report

## Fostering Growth, Advancing Prosperity



**Mr. Médiateur Muhire**  
Deputy Managing Director

Over the past year, the Bank has upheld its commitment to delivering pioneering financial solutions, broadening market penetration, and enabling sustainable economic development in Burundi.

Under the strategic guidance of our Board of Directors and Executive Management, we have successfully navigated a dynamic operating environment characterized by evolving customer expectations, rapid technological progress, and increasingly stringent regulatory requirements—ultimately reinforcing our position as a premier financial institution in the region.

Throughout 2024, our business endeavors rested upon a solid customer-focused framework. The Retail Banking division advanced financial inclusion by expanding branch networks in high-potential areas, cultivating alliances with local cooperatives, and accelerating digital adoption to create seamless banking experiences.

These initiatives significantly boosted active account numbers and widened our outreach, reinforcing our objective of promoting nationwide socio-economic empowerment.

On the Corporate Banking side, we demonstrated foresight and agility in delivering customized solutions across diverse sectors. Drawing on extensive industry insights, we financed transformative projects in manufacturing, trade, and infrastructure. At the same time, the Bank maintained a firm commitment to prudent risk management, ensuring low non-performing loan levels. In parallel, our Treasury and Capital Markets team deftly managed market volatility, achieving remarkable gains in foreign exchange trading and maintaining robust liquidity positions well beyond regulatory benchmarks.

Crucial to these achievements is our ongoing drive toward digitization and innovation. Enhancements in ICT infrastructure and cybersecurity not only shielded client data but also paved the way for next-generation product offerings, including advanced mobile banking solutions. These endeavors have been reinforced by a strategic Human Resources agenda that invests in staff training, career development, and overall well-being—ensuring our workforce remains motivated and dedicated to premium service delivery.

In line with our broader sustainability pillars, CRDB Bank Burundi channeled resources into initiatives that champion environmental stewardship, social responsibility, and inclusive growth. From educational programs and healthcare support to green financing ventures, the Bank remains firmly dedicated to producing tangible, long-term benefits for customers, shareholders, and the communities we serve.



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# Business Report

## Corporate & Institutional Banking



## Elevating Corporate and Institutional Banking

**Arnaud Rugema**  
Director of Corporate Banking

Throughout 2024, CRDB Bank Burundi's Corporate and Institutional Banking department navigated a challenging global environment with resilience and strategic innovation. Despite persistent macroeconomic pressures, the bank achieved a 35% growth in corporate lending, underscoring its dedication to delivering tailored financial solutions for corporate partners.

This growth reflects the success of aligning the bank's offerings with clients' diverse needs, including long-term expansion, working capital support, and strategic restructuring.

A cornerstone of our success has been our client-centric approach, which ensures that our solutions directly address the operational and strategic goals of businesses. During 2024, our corporate lending portfolio expanded significantly, attracting both established corporations and emerging industry players. This growth not only highlights the effectiveness of our customized financial services but also the increasing trust clients place in our expertise. By year-end, our commitment to personalized guidance and innovative solutions was evident in both our performance metrics and client satisfaction.

Leveraging deep industry insights from local operations and the broader CRDB Bank Group, our team remained attuned to evolving trends in key sectors such as manufacturing, trade, and energy, while also exploring emerging areas like digital and green finance. We proactively identified risks and opportunities, introducing innovative products to help clients navigate shifting market dynamics. By refining our credit assessment tools, we balanced client-specific risk profiles with the Bank's need for portfolio stability, resulting in impressively low corporate default rates and a Non-Performing Loan (NPL) ratio of just 1.2%.

Our commitment to responsible stakeholder engagement was evident in our efforts to build meaningful relationships. Collaborating on government-affiliated projects and cross-



Whether funding large-scale **agricultural projects or eco-friendly production processes**, our approach aligned financing with clear sustainability goals.



border initiatives, we expanded our market presence while supporting national and regional agendas to boost trade and investment. Working closely with other Bank divisions, we developed products that enhanced working capital, trade finance, and project financing, contributing to a 33% growth in the Bank's loan portfolio and demonstrating the value of cross-functional collaboration.

**Future Outlook**

Looking ahead, we prioritized the transformative potential of technology, focusing on digital banking tools tailored for corporate transactions. From secure platforms for large-scale operations to specialized applications for supply-chain financing and cash-flow management, our goal was to enhance transparency, reduce turnaround times, and minimize operational costs for clients. These efforts, aligned with CRDB Bank Burundi's broader digital strategy, drove widespread adoption of online and mobile solutions. As we enter 2025, we expect even greater corporate uptake, supported by advanced features such as real-time analytics dashboards, remote account opening for subsidiaries, and

automated reconciliation systems.

Sustainability also took center stage in 2024, as we integrated environmental, social, and governance (ESG) objectives into corporate lending. Whether funding large-scale agricultural projects or eco-friendly production processes, our approach aligned financing with clear sustainability goals. This positions the Bank to meet evolving regulatory and investor expectations while driving socioeconomic development in Burundi.

For 2025, we have outlined key priorities: deepening digitalization through enhanced system interoperability, data analytics, and user-centric design; expanding into emerging markets such as infrastructure, agribusiness, and specialized services; scaling up

our sustainable lending platform with tools like green bonds and ESG-focused risk assessments; and strengthening trust and communication with clients, staff, and stakeholders.

Our achievements in 2024 were made possible by the dedication and drive of our team. As we move into 2025, we are confident that our strategic focus, client-centric approach, and commitment to excellence will continue to deliver value. By remaining agile in a dynamic market, advancing our digital capabilities, and championing sustainable finance, the Corporate and Institutional Banking division is well-positioned to forge stronger partnerships and play a pivotal role in shaping Burundi's economic future.



# Business Report

## Retail Banking



## Embracing Customer Experience and Expanding Reach for Greater Financial Inclusion

**René-Espoir Ndayikeje**  
**Director of Retail Banking**

The 2024 financial year has been a momentous period for CRDB Bank Burundi's Retail Banking department, as we continued to deepen our presence in the market while staying true to our core commitment of providing exceptional customer service.

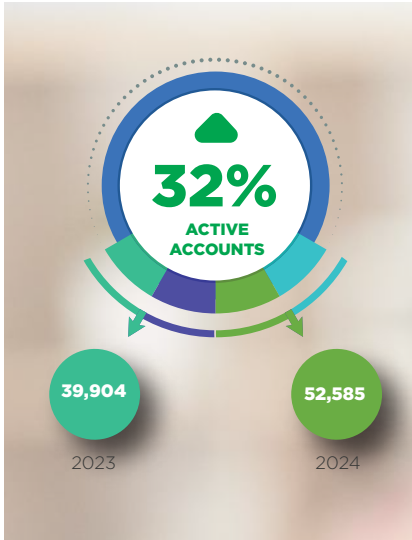
Driven by the vision of becoming the number one bank of choice in Burundi, our Retail Banking operations focused on enhancing accessibility, forging strategic partnerships, and championing product innovations that cater to the diverse financial needs of Burundian communities. Reflecting on these achievements, I am pleased to share an overview of our key milestones, initiatives, and priorities for the future.

Our drive to expand the branch network saw remarkable progress in 2024. We successfully opened Intahe Premier Branch in Bujumbura City on December 6, 2024. These additions underscore our goal of bringing high-quality banking services closer to clients. For 2025, we plan to launch at least four more branches in strategic locations, thereby ensuring Burundians in both urban and peri-urban areas can access our offerings with greater convenience. These expansions align with our broader commitment to advancing financial inclusion and strengthening the connection between CRDB Bank Burundi S.A and the communities we serve.

As part of our financial inclusion efforts, we actively pursued partnerships with key institutions such as PAEEJ, BBIN, OTB, BRARUDI, and local cooperatives to extend our reach across the nation's value chains. Through these collaborations, we aim to bridge gaps in service delivery and ensure even the most remote segments of the population benefit from formal banking services. This outward-looking approach has yielded impressive results: we grew our number of active accounts from 39,904 to 52,585 in 2024. This surge in new customers reaffirms that our enhanced branch footprint, digital innovations, and localized partnerships are resonating with individuals and



We were equally successful on the retail lending front. **By year-end, we exceeded our 2024 target** for the **Retail Loans Portfolio**, achieving 105% of our goal.



businesses alike.

We were equally successful on the retail lending front. By year-end, we exceeded our 2024 target for the Retail Loans Portfolio, achieving 32% of our goal. Our ambition now is to grow this figure from BIF 160 billion to BIF 340 billion by the end of 2025, with special emphasis on Micro, Small, and Medium Enterprises (MSMEs), women, youth, and agricultural-based enterprises. To support this expansion, our strategy relies on tailoring products for our target demographic and reinforcing on-the-ground activities that drive awareness and education around credit options. Our plan to onboard specialized account managers and field officers dedicated to MSME loans will further amplify our penetration in underserved regions.

Beyond traditional banking operations, we have also embraced non-interest income opportunities by scaling our Bancassurance product line. Having already signed contracts with 15 insurance companies, we formed a dedicated Bancassurance unit staffed with a Relationship Manager and designated personnel in each branch. This initiative paves the way for new streams of revenue and offers customers a more comprehensive suite of financial solutions. Our continuous collaboration with insurance partners allows us to offer tailored coverage packages that meet our clients' evolving needs, ultimately deepening their trust in CRDB

Bank Burundi as a one-stop financial services provider.

Meanwhile, technology and digital transformation remained a paramount focus. We accelerated integrations with REGIDESO to streamline water and power bill payments and successfully launched Visa Online and LIPA NAMBA solutions. At the same time, both our internet banking and SIM banking platforms migrated to the new ESB system, and we upgraded our Cards and ATMs to the Smart VISTA platform. Looking ahead to 2025, we are on track to finalize ongoing digital projects with Terrapay, OBR, LUMITEL, PAFE, and MEDIABOX. These steps will strengthen our payment ecosystem and user convenience, ultimately driving higher adoption rates. Additionally, we plan to initiate auto-registration for SIM banking at our ATMs, making it even simpler for customers to begin using digital channels.

Another highlight was our commitment to continuous operational enhancements. We embarked on fast-tracking local card production and personalization to reduce the turnaround time for issuing new or replacement cards. By having this capacity in-country, customers will no longer face lengthy waiting periods.

Finally, the rapid growth of our MSME outreach in 2024, where we onboarded 1,770 borrowers spread across 58 groupings and 23 cooperatives, served as concrete proof of our determination to champion grassroots development. By disbursing loans totaling BIF 19.4 billion to MSME clients in Bujumbura, Bubanza, Cibitoke, and Ngozi Provinces, we not only bolstered local business capacities but also expanded the Bank's reach and visibility in key markets. With further staffing and specialized training in 2025, we anticipate a significant rise in both MSME loan approvals and community impact.



**Future Outlook**

Looking ahead, 2025 offers a promising horizon for Retail Banking at CRDB Bank Burundi. Our top priorities include accelerating branch openings in Kamenge, Gitega, and Makamba, hosting informative MSME seminars, and completing previously initiated digital innovations. Crucially, we intend to transition to the Temenos Transact T24 core banking system—a major technical upgrade that will streamline processes, enhance product customization, and boost overall operational efficiency. While we do anticipate challenges along the way, our commitment to a customer-centric approach, strategic expansion, and operational transformation remains unwavering.

# Business Report

## Credit



## Empowering Sustainable Growth Through Inclusive Lending

**Deuseddit Mchomba**  
Director of Credit

Throughout The 2024 financial year has been a defining year for our bank in realizing the aspiration of making credit accessible to all at affordable cost. While we continued to observe notable growth across various segments, we also remained keenly aware of a prevailing sentiment in the marketplace: that it can be difficult to obtain a loan from a bank. .

With this in mind, our key priority was to simplify loan acquisition processes and ensure that every economically active client has the means to grow, transform, and thrive. Our deliberate focus on impact financing led to a remarkable 34% expansion of our overall credit portfolio during 2024.

This inclusive financing approach has been particularly successful in assisting clients in fulfilling their diverse needs. For our Corporate, SME, and MSME customers, we addressed working capital requirements and supported business expansions by offering tailored products and flexible terms. In the consumer segment, we helped individuals and families meet daily needs and aspirational goals through personal loans designed around affordability and convenience. The results speak for themselves: we achieved exceptional growth of 459% in MSMEs, 83% in SMEs, 59% in Microfinance Institutions, and 35% in Corporates. These milestones validate our strategy of embracing a wide array of clients—across both traditional and emerging enterprises—and offering credit at prices that empower businesses and uplift personal livelihoods.

A significant part of our mission is to facilitate credit within all major sectors of the economy. Agriculture, for instance, represents approximately 40% of the country's GDP and employs more than 80% of the population. In practical terms, however, most farmers continue to rely on subsistence farming. Recognizing this reality, the Bank has engaged in specific agricultural financing initiatives, including providing fertilizers, supporting irrigation projects, and enabling farmers to acquire land for commercial



We achieved exceptional growth of **459% in MSMEs**, **83% in SMEs**, **59% in Microfinance Institutions**, and **35% in Corporates**.



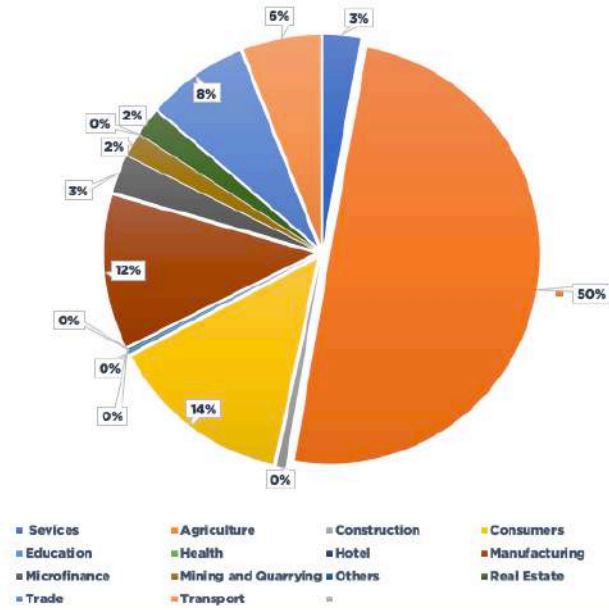
production. Through such targeted efforts, we aim not only to expand our lending portfolio but also to spur productivity, enhance food security, and stimulate overall economic growth.

Looking more closely at other strategic sectors, we see that manufacturing, trade, real estate, and transport each play a critical role in the national economy. Our focus is to offer credit facilities in these areas to effectively meet the needs of a broad cross-section of stakeholders – from nascent entrepreneurs seeking to establish a foothold in the market, to seasoned corporations aiming to consolidate or diversify their operations. Our financing approach aligns with the government’s policy priorities, ensuring that the synergy between public objectives and private investment fosters sustainable, long-term development.

Maintaining asset quality remains essential for fulfilling our pledge to sustainability. Despite accelerated growth in 2024, our Portfolio at Risk (PAR) ratio was contained below 3%, while our Non-Performing Loan (NPL) ratio stood at just 1%. These achievements reflect a holistic and proactive credit-monitoring process. By regularly reviewing account performance and conducting risk assessments, we detect early signs of stress and implement tailored solutions that help keep borrowers on track. The low default rates, in turn, encourage us to innovate responsibly and extend credit to those historically excluded from the financial system.

As we shift focus toward 2025, we anticipate a more favorable economic landscape and remain committed to meeting the evolving financial needs of both businesses and individual borrowers. Our plan includes investing in robust risk assessment tools, digitizing loan application and approval processes, and enhancing post-disbursement monitoring. Priority sectors such as agriculture, manufacturing, real estate, transportation, and trade will continue to receive special

**Credit Portfolio Distribution Per Sector**



attention given their substantial contribution to GDP. By fueling growth in these core sectors, we expect to broaden our reach and strengthen national development objectives.

To sustain this trajectory of inclusive growth, we also intend to deepen partnerships with multilateral organizations, cooperatives, and regional development agencies. These synergies will help us channel resources effectively and facilitate capacity-building for smaller enterprises. Coupled with ongoing internal improvements, this collaborative stance will allow us

to uphold affordability and remain agile in tailoring credit solutions to the nuanced needs of our clients.

**Future Outlook**

As we look ahead to 2025, our agenda stays firmly rooted in inclusive lending, responsible banking, and sustainable progress. We will continue to offer fair credit terms and driving innovation in product design to further reduce barriers to finance, catalyze economic resilience, and help uplift communities across the country.

# Business Report

## Treasury and Capital Markets



## Navigating Volatility and Driving Value

**Ernest Ngendakumana**  
**Director of Treasury and Capital Markets**

The Treasury and Capital Markets department of CRDB Bank Burundi S.A demonstrated exceptional resilience and strategic foresight in 2024, transforming challenges into growth opportunities. During the year under review, the Forex desk was a standout performer. Foreign exchange trading income surged to BIF 17.15 billion - an impressive 37% increase compared to the previous year.

This robust performance was driven by higher customer FX transaction volumes in an environment marked by moderate depreciation of the Burundian franc (closing at BIF 2,915 per USD, compared to BIF 2,856 in 2023). Heightened dollar demand, spurred by an annual inflation rate of 36.3%, created ample trading opportunities. The Bank's proactive approach in actively pricing major currency pairs and maintaining tight spreads not only captured value from market volatility but also enhanced its market share, setting the pace against peers who recorded more modest gains.

Equally notable was the department's adept management of interest rate risk during a period of rising price levels and policy adjustments. Net interest income climbed to BIF 71.24 billion - marking a 60% increase year-on-year - driven by the rapid expansion of interest-earning assets and effective balance sheet repricing. The loan portfolio's growth contributed significantly, with interest income from loans and overdrafts increasing by 71%, while income from government securities saw a modest 6% uptick. In an environment where the central bank's policy rate held steady at 12%, the Bank's strategy of balancing asset and liability durations, coupled with the use of interest rate swaps, allowed it to contain funding costs and preserve a healthy net interest margin, estimated at around 9%. These results underscore the effectiveness of the treasury's interest rate risk management compared to regional industry benchmarks.

Net interest income  
**71.24**  
 BIF in Billion





Liquidity management remained a cornerstone of the Bank’s treasury operations. By year-end, the Bank boasted a regulatory liquidity ratio of 336%, far surpassing the minimum requirement. This robust liquidity position was underpinned by strong customer deposit growth - up 38% to BIF 842.4 billion - and diversified funding sources, including low-cost deposits and parent credit lines. The department maintained a portfolio of high-quality liquid assets, such as cash, interbank placements, and treasury bills, ensuring that all cashflow positions were optimally managed. With no liquidity shortfalls recorded during the year, the Asset-Liability Committee (ALCO) met regularly to ensure strict compliance with internal and regulatory limits, positioning CRDB Bank Burundi among the most liquid institutions in the market.



On the investment front, the Treasury and Capital Markets team made strategic moves to optimize returns and maintain liquidity. Holdings in treasury bills and bonds expanded significantly - by 65% - to reach BIF 413.5 billion. This aggressive accumulation of government securities was a strategic response to both excess liquidity and attractive domestic yields. The portfolio’s performance was further bolstered by tactical secondary market trading, which helped capture favorable movements in interest rates. The bank’s prudent management of portfolio duration and the absence of impairment losses highlighted the high credit quality of its sovereign exposures, while contributing a stable income stream to overall earnings.

The broader operating environment in 2024 was characterized by macroeconomic volatility, with a 4.6% GDP growth rate and persistent inflationary pressures, alongside evolving regulatory landscapes. The Bank faced challenges such as a widening inflation gap and tightened monetary conditions, yet it managed to outperform industry averages by focusing on risk mitigation, strategic pricing, and capitalizing on

market inefficiencies. Enhanced foreign exchange guidelines, new accounting standards on currency translation, and tighter policy measures provided both challenges and opportunities, pushing the treasury to adopt more sophisticated hedging strategies and contingency planning.

**Future Outlook**

Looking ahead to 2025, the Treasury and Capital Markets department is set to build on its strong performance. Key priorities include managing the anticipated moderation in inflation and a potential decline in interest rates, which will necessitate agile re-pricing strategies. The expected liberalization of the FX market

under ongoing IMF reforms is likely to bring new volatility; thus, the treasury is focused on strengthening its currency hedging mechanisms and maintaining a neutral net open position. Additionally, with ample liquidity on hand, the Bank plans to diversify its investment portfolio further, potentially increasing regional and USD-denominated exposures to enhance yields. Future plans also include the rollout of digital treasury solutions—such as advanced online FX trading platforms and enhanced custodial services—to improve client experience and capture additional fee income.



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# Operations Report



## Market Leading Operational Efficiency in 2024

**Mr. Icare Gafurero**  
**Director of Banking Operations**

In 2024, CRDB Bank Burundi S.A continued to demonstrate exemplary operational competence, reinforcing its reputation as one of the most innovative and customer-focused financial institutions in the country. This success stems from a persistent drive to modernize processes, adapt to emerging technologies, and meet the demands of an increasingly digital-savvy clientele. At the core of our accomplishments is a commitment to delivering efficient, secure, and reliable services that affirm CRDB Bank Burundi S.A's stature as the most preferred bank in the market.

**CRDB Bank Burundi SA has approached this disruptive wave by initiating forward-looking projects that reinforce both operational excellence and customer centricity. ”**



Throughout the 2024 FY, the Banking Operations Department took the lead in instituting process improvements. We leveraged technological advances to expand our capabilities across domestic and cross-border transactions. This included fortifying our electronic banking platforms and ensuring that back-end support structures remained robust in the face of ever-increasing transaction volumes. As a result, the number of transactions executed both domestically and internationally rose sharply, reflecting our growing market share and ability to cater to a diverse customer base. These gains underscore how operational excellence directly contributes to building trust and loyalty among clients who value consistency, accuracy, and speed.

Looking ahead, we recognize that achieving our target of becoming the undisputed industry leader will require an ongoing focus on digitalization, process automation, and further TAT improvements. Seamless workflows and intuitive experiences will be central to ensuring we satisfy the expectations of various market segments, ranging from large corporate entities to remote entrepreneurs. In 2025, the Department of Banking Operations will prioritize deepening our roots as the Bank of Choice, an effort that will entail not only refining our operational backbone but also collaborating closely with other departments to ensure our service offerings remain comprehensive and relevant.



Within this broader modernization journey, digital transformation held a paramount place in 2024. Over the last decade, innovations in fintech, blockchain, and decentralized finance (DeFi) solutions have disrupted many aspects of banking. CRDB Bank Burundi SA has approached this disruptive wave by initiating forward-looking projects that reinforce both operational excellence and customer centricity. We have, for instance, developed automated transaction workflows that allow customers to perform nearly any banking operation from home or office, while still preserving exceptional service delivery in our physical branches. This “phygital” model (combining the physical and digital channels) resulted in stronger customer satisfaction scores, as it caters effectively to different preferences and comfort levels.

Among the key components of our digital-first approach is the implementation of a new Core Banking System (CBS). Slated as a cornerstone of our transformation initiatives, the upgraded CBS will enable the Bank to roll out advanced features that enhance security, introduce faster transaction speeds, and support a rapidly growing client base. Our design philosophy focuses on resilience and agility, ensuring

that our systems can handle shifting regulatory environments and evolving consumer needs. As we carry this momentum into 2025, the Banking Operations Department will remain deeply involved in monitoring, refining, and updating the CBS rollout to maintain optimal performance and user-friendliness.

In parallel with these technological efforts, the Banking Operations Department upholds a resolute commitment to nurturing a customer-centric and talented team. All operational enhancements are geared not merely toward improving metrics such as cost-to-income ratios, but toward elevating service quality in tangible ways. Our teams receive specialized training in critical areas such as domestic and international trade finance, documentation handling, and internal controls. This investment in professional development has not only improved turnaround times but also ensured that clients receive accurate, expert guidance regardless of complexity or transaction size.

The Department’s dedication to quality and expertise is most evident in our off-balance sheet portfolio growth and rising non-funded income for 2024. Leveraging our proficiency in

trade finance and international remittances, CRDB Bank Burundi SA has cultivated strong relationships with local and global stakeholders.

### Future Outlook

Moving into the future, we will strengthen partnerships with international banks and emerging organizations in the remittance space, focusing on mutual growth opportunities and cost efficiencies for our customers. Integrating with these partners will amplify our outreach, expand service offerings, and streamline cross-border transactions, all of which dovetail with our overall commitment to remain the leading bank in Burundi’s financial sector.

Ultimately, 2024 has been a transformative year for CRDB Bank Burundi S.A.’s Banking Operations. Our initiatives have proven that innovative technology, paired with a client-focused culture, can yield substantial improvements in efficiency, market share, and customer satisfaction. As we look toward 2025 and beyond, we remain steadfast in our ambition: to harness digital transformation, refine operational processes, and elevate service quality—solidifying our position as the nation’s Bank of Choice and delivering tangible value to all stakeholders.

# Customer Experience Update



## Elevating the Customer Experience

**Kévine Kanyambo**  
Senior Manager, Customer Experience

At CRDB Bank Burundi S.A, our customers lie at the heart of everything we do. Throughout 2024, we strengthened our Customer Obsession Strategy by delivering seamless, personalized, and rewarding banking experiences. This unwavering focus is reflected in our impressive Customer Satisfaction Score of 90%, highlighting the responsiveness and efficiency of our services, and our Net Promoter Score of 80%, underscoring the loyalty and advocacy of our customers.

To deepen our understanding of evolving customer needs, our leadership and relationship managers conducted direct visits across all segments. These interactions allowed us to refine our financial solutions and improve service delivery in ways that resonate with our diverse clientele. We also recognized that exceptional customer experiences begin with well-trained employees, so we invested in regular training sessions on best practices and emotional intelligence, as well as specialized coaching in complaint resolution. This approach ensures that our frontline teams are fully equipped to respond empathetically and effectively to any customer concern.

Supporting our global customer base became a priority with the launch of an in-house 24/7 call center, featuring WhatsApp integration. By offering real-time support regardless of time zone, we have streamlined communication for our Diaspora community and underscored our commitment to accessibility. In addition, our annual Customer Service Week celebrated the importance of customer-centricity across our network. We offered tailored support for SMEs and cooperatives—both critical to economic growth—while also providing in-branch hospitality to walk-in customers and recognizing our long-standing and high-value patrons.



Supporting our **global customer base** became a **priority** with the launch of an in-house **24/7 call center**.



**Featuring WhatsApp integration.**





To cultivate a culture of continuous improvement, we introduced an employee recognition program that honors standout customer service performers. Branches with exceptional customer experience scores received public commendation, reinforcing the significance of going above and beyond to meet customer needs. These initiatives not only inspire our staff but also ensure that our focus on service excellence remains at the forefront of our operations.

**Future Outlook**

Looking ahead, we are committed to further digitizing our service channels for greater convenience, strengthening engagement with SMEs and cooperatives, and expanding our training programs to maintain outstanding levels of service. At CRDB Bank Burundi S.A, our Customer Obsession Strategy is more than just a promise—it is a fundamental way of doing business. We thank our customers for their trust and look forward to continually enhancing their banking experience.

# Human Resource Report



## Empowering Sustainable Growth Through Inclusive Lending

**Ines Mucowintore**  
**Director of Human Resources**

The 2024 financial year presented both opportunities and challenges, and the Human Resources Department at CRDB Bank Burundi S.A. rose to the occasion, playing a key role in strengthening the foundation of our organization. Central to our strategy has been our commitment to cultivating a skilled, engaged, and diverse workforce.

Through continuous investment in learning and development, employee well-being, and building a culture of inclusion, we have successfully positioned ourselves to meet the evolving needs of our people and the dynamic demands of the market.

At the heart of our efforts lies an resolute focus on learning and development. Recognizing that our employees are the pillar of our success, we launched several initiatives aimed at enhancing professional skills and encouraging continuous growth. During the year under review, we expanded access to digital learning through our new LinkedIn platform, which has provided employees across all branches with convenient, mobile-accessible opportunities for self-improvement. This initiative has not only supported individual career progression but also contributed to increased overall productivity and innovation across the Bank. We believe that equipping our team with the latest skills ensures that CRDB Bank Burundi S.A remains competitive and agile in a rapidly changing business environment.

Employee well-being has also been a top priority throughout the year. Our comprehensive wellness programs were designed to address both physical and mental health, ensuring that every member of our workforce has access to resources that support a healthy work-life balance. Regular medical check-ups, nutritional guidance, and stress management workshops have been implemented to combat the challenges posed by sedentary work routines and high-pressure environments. In addition, we expanded our counseling



We believe that **equipping our team** with the latest skills ensures that **CRDB Bank Burundi S.A remains competitive** and agile in a rapidly changing business environment.



services - including both professional telephone and online counseling - to help employees navigate personal and work-related challenges effectively. The introduction of these support mechanisms has fostered a culture where health and well-being are integral to our collective success.

Employee engagement remains a cornerstone of our human resources strategy. During the year, we actively promoted a work environment that encourages open dialogue and feedback through periodic surveys and organized group sessions. These efforts have not only provided valuable insights into areas for improvement but have also reinforced our commitment to a transparent and inclusive workplace.

Diversity, inclusion, and equity are fundamental values embedded within our corporate culture. With a total workforce of 186 employees, where 60% are male and 40% are female, our focus on maintaining a balanced and inclusive workplace has yielded positive outcomes.

Our targeted initiatives to promote the advancement of women and underrepresented groups include specialized training sessions and mentorship programs such as the She initiatives, which empower women to assume leadership roles. This diverse talent pool not only reflects our commitment to equal opportunity but also enhances our ability to innovate by bringing varied perspectives to the table.

Beyond internal development, our Human Resources Department has been actively involved in corporate social responsibility initiatives. We believe that a thriving organization contributes to the broader community. In 2024, we collaborated with various stakeholders to launch awareness campaigns on financial literacy, health, and wellness, ensuring that our positive impact extends beyond the confines of our Bank. These initiatives have further solidified our reputation as a socially responsible organization that values the well-being of its employees and the communities it serves.

### Future Outlook

Looking ahead, our strategic priorities for 2025 focus on further enhancing our workforce capabilities and nurturing an environment that supports both professional and personal growth. We plan to expand our training programs to include emerging technologies and digital skills, ensuring that our employees remain at the forefront of industry innovation.

Additionally, we will continue to refine our wellness programs by introducing new initiatives aimed at promoting mental resilience and stress reduction. Our commitment to diversity will be further reinforced through ongoing mentorship and career development programs that ensure all employees have the opportunity to reach their full potential.

# Internal Audit Report



## Advancing Assurance and Strategic Value in 2024

**Ms. Bella Niyuhire**  
**Director of Internal Audit**

In 2024, the Internal Audit Department of CRDB Bank Burundi S.A. continued its commitment to providing independent and objective assurance on governance, risk management, and internal control. Guided by a risk-based audit plan aligned with the Bank's strategic priorities and regulatory obligations, the Department worked diligently to enhance stakeholders' confidence in the Bank's operations.

Throughout the year, we championed transparency, accountability, and best practices, thus supporting CRDB Bank Burundi S.A. in delivering quality services while protecting public interest.

A critical element of our scope was ensuring robust governance mechanisms. We prioritised evaluating existing structures and procedures, providing management with actionable insights into potential vulnerabilities and opportunities for improvement. Similarly, we reviewed the clarity and efficacy of decision-making processes, the alignment of management practices with regulatory requirements, and the robustness of oversight systems. This comprehensive approach helped reinforce the foundations of good governance, promoting strong leadership and ethical conduct across all levels of the Bank.

In line with enterprise risk management strategy, we also reinforced risk management protocols in response to a dynamic business landscape. Emerging risks - ranging from rapid technological changes to shifts in regulatory environments - necessitated continuous adaptation. Our audit plan allocated significant focus to high-impact areas, such as new product development and technology-driven initiatives, to ensure these endeavours adhered to rigorous standards of safety and prudence. The Department proactively supported more informed decision-making by proactively detecting risk indicators, thereby reducing potential losses while empowering the Bank to capitalize on strategic opportunities.



This comprehensive approach helped reinforce the foundations of good governance, **promoting strong leadership and ethical conduct** across all levels of the Bank.



Another critical area of attention was internal control effectiveness. Our evaluations pinpointed operational inefficiencies and areas that could benefit from more robust controls, leading to improvements in both financial and process performance. These included streamlining approval mechanisms, enhancing segregation of duties, and optimizing work processes to reduce overhead costs. In several cases, recommendations by the Internal Audit Department resulted in cost savings or productivity gains - tangible evidence of how independent reviews can directly benefit the bottom line and customer experience alike.

Alongside technical evaluations, the Department championed stakeholder engagement to further strengthen trust and support. We believe true effectiveness in internal auditing can only be achieved when we foster dialogue and transparency. This year, we held regular forums and feedback sessions with senior leadership, departmental heads, and relevant committees. These gatherings ensured that all parties

fully understood one another's priorities - by proactively detecting risk indicators early on, and challenges, paving the way for proactive risk mitigation. We did this also by extending collaboration to external stakeholders, broadening the scope of professional insights and enriched the recommendations.

Despite the business climate's increasing complexity, we regarded the ever-evolving challenges as catalysts for professional growth. Recognizing the need to enhance our analytical and problem-solving capabilities, the Internal Audit Department invested in staff development programs and exchange initiatives between Burundi and the parent group. These efforts created a broader perspective, enabling our auditors to adapt swiftly to varied risk scenarios and integrate cutting-edge best practices. Over time, our role has evolved beyond conventional oversight to that of a strategic advisor—actively informing the Bank's forward-looking strategies and process redesign efforts.

**Future Outlook**

Looking ahead, our future perspectives are shaped by rapidly changing technologies and higher regulatory standards. As automation, data analytics, and cybersecurity considerations expand in importance, the Internal Audit Department aims to stay at the forefront of these trends. We will continue enhancing our capabilities to handle emerging areas such as IT governance, sustainability audits, and agile methodologies. By doing so, we will reinforce CRDB Bank Burundi S.A.'s resilience and readiness, ensuring that it remains well-prepared for both present-day challenges and tomorrow's complexities.

# ICT Report



## Digital Transformation Driving Operational Excellence

**Mr. Gadi Pori**  
**Director of Information and Communications Technology**

### Digital Transformation Driving Operational Excellence

The Information and Communication Technology (ICT) department at CRDB Bank Burundi S.A. has played a critical role in supporting the bank's operations and strategic objectives throughout 2024.

Amid a landscape marked by rapid technological change and evolving market demands, our department has not only met challenges head-on but has also set a new benchmark in innovation and efficiency.

During the year, one of our foremost achievements was the significant upgrade of our infrastructure. We successfully enhanced our Enterprise Service Bus (ESB) to boost system performance and reliability. The deployment of new servers and state-of-the-art storage solutions has enabled us to accommodate our growing data requirements, ensuring that our operations remain agile and responsive. These infrastructure enhancements have laid a solid foundation for the bank's digital transformation efforts, allowing us to deliver faster and more reliable services across all banking channels.

Cybersecurity has been another pillar of our progress this year. In an environment where data breaches and cyber threats are a constant risk, the ICT department took proactive measures to fortify our defenses. We deployed advanced threat detection systems, reinforcing our cybersecurity framework to safeguard critical data and prevent unauthorized access. Through regular security audits and comprehensive training programs, our staff were equipped with the latest knowledge and best practices in data protection. The result was a year free of major security breaches, reaffirming our commitment to maintaining the highest standards of data security and regulatory compliance.

Our digital transformation initiatives have been at the forefront of our strategy. Recognizing the growing demand



Laid a **solid foundation** for the bank's digital transformation efforts, allowing us to **deliver faster and more reliable services** across all banking channels.



for digital banking services, we launched several innovative solutions aimed at improving the customer experience and operational efficiency. Among these were the introduction of a new mobile SimBanking app and enhanced USSD functionalities, which have enabled customers to conduct transactions conveniently from their mobile devices. Additionally, the implementation of an automated loan application system and a modernized customer service call center has significantly reduced processing times, thereby enhancing customer satisfaction and operational throughput.

Data analytics has emerged as a powerful tool in our digital toolkit. During the year under review, we endeavoured to integrate advanced analytics solutions to gain deeper insights into customer behavior and preferences. These insights are critical in optimizing marketing strategies and refining risk management practices. With real-time data at our fingertips,

decision-makers can swiftly adapt to emerging trends, ensuring that our digital initiatives remain aligned with customer needs and industry best practices.

Despite facing challenges such as the rapid pace of technological change, our department has established a robust continuous improvement program. This program regularly assesses our ICT infrastructure and applications, ensuring they remain current and capable of supporting the bank's strategic objectives. By prioritizing ongoing updates and system enhancements, we have been able to anticipate technological shifts and implement timely solutions that keep our services cutting edge.

**Future Outlook**

Looking ahead, our strategic focus for 2025 is clear. The ICT department will concentrate on further enhancing digital banking services, bolstering cybersecurity resilience, and leveraging emerging

technologies like artificial intelligence to deliver personalized customer experiences. One of our major upcoming projects is the implementation of a new Core Banking System (CBS), which promises to streamline transaction processes, improve transparency, and provide enhanced security features. Additionally, we plan to upgrade our Agency Banking system, transitioning from POS-based solutions to a more flexible, phone-based system that will broaden our service reach and improve customer convenience.

Budget and resource allocation for the upcoming year reflect our commitment to continued investment in technology. The proposed budget includes dedicated funding for further infrastructure upgrades, cybersecurity enhancements, and comprehensive staff training programs. These investments are designed to ensure that our digital transformation initiatives not only meet current demands but are also scalable for future growth.

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05



# Governance and Risk Management

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# Our Governance

Our bank has a strong focus on good corporate governance. Our governance encompasses practices that aren't just about ticking boxes; but about fortifying trust in our institution and fueling sustainable growth for our shareholders and stakeholders. In principle, the board of directors doesn't just oversee; it champions the long-term prosperity of the bank. We're committed to; not only meeting legal requirements but also embracing voluntary guidelines and standards. Compliance isn't an afterthought—it's woven into the very fabric of our boardroom discussions, especially through our diligent board risk committee.

## The Board of Directors

The Board of Directors plays a crucial role in guiding and overseeing the bank's performance and ensuring ethical conduct. To enhance its effectiveness, the board establishes specialized committees with specific responsibilities. These committees, composed of skilled directors, both monitor and advise the board, which retains overall decision-making responsibility.

Regular reviews and updates of committee terms ensure alignment with regulations and governance standards. The board closely monitors committee activities to ensure comprehensive oversight of the bank's operations. Each committee chair provides regular feedback to the board, promoting transparency and accountability.

The board is the driving force behind the bank's strategic direction and risk management. They are accountable to shareholders for the bank's performance and uphold high standards of governance. Their duties include overseeing financial reporting, setting the bank's vision and values, and appointing key executives.

They also approve corporate strategy, monitor its implementation, and ensure effective internal controls and risk management practices. The board reviews business resiliency plans, ensures adequate capitalization, and approves major expenditures and strategic investments. Throughout the year, the board fulfilled its responsibilities, leading to the bank's outstanding performance, while adhering to the principles of good corporate governance.

## Commitment to Sustainable Value Creation

Unlocking value through strong corporate governance is at the heart of our bank's ethos. Our well-defined governance structures provide the foundation for creating and safeguarding value, ensuring we meet our strategic objectives while considering the needs of all stakeholders. With a commitment to continuous improvement, our Board stays abreast

of regulatory changes and best practices, enhancing our governance principles, policies, and practices. Through our approach to corporate governance, we not only comply with legal and regulatory requirements but also deliver sustainable impact to stakeholders, contribute to our community, support the economy, and protect the environment. We foster an ethical culture and prioritize risk awareness while promoting transparency, accountability, and empathy in all our stakeholder relationships.

## Board Independence

Ensuring board independence is crucial for effective corporate governance, as it allows for unbiased decision-making that serves the interests of all shareholders. The majority of board directors should be independent, with no relationships that could compromise their judgment. Assessments of independence consider all relevant factors, including

connections with the company, senior management, or other directors. Insider trading restrictions are in place to prevent misuse of privileged information, with strict rules for trading Group securities. Board appointments are based on merit and diversity, with a thorough selection process for directors and senior positions. The board comprises both Non-Executive and Independent Non-Executive Directors, recommended for election or appointment by shareholders.



## Board Relationships and Engagement with Stakeholders

Building strong connections with shareholders and stakeholders is key to fostering trust and transparency. Through regular outreach and ongoing dialogue, we actively engage with our investors to understand their

perspectives while ensuring they comprehend our vision and plans. The board values open communication, regularly updating shareholders on our financial performance and; ensuring timely and equitable dissemination of information to the market.

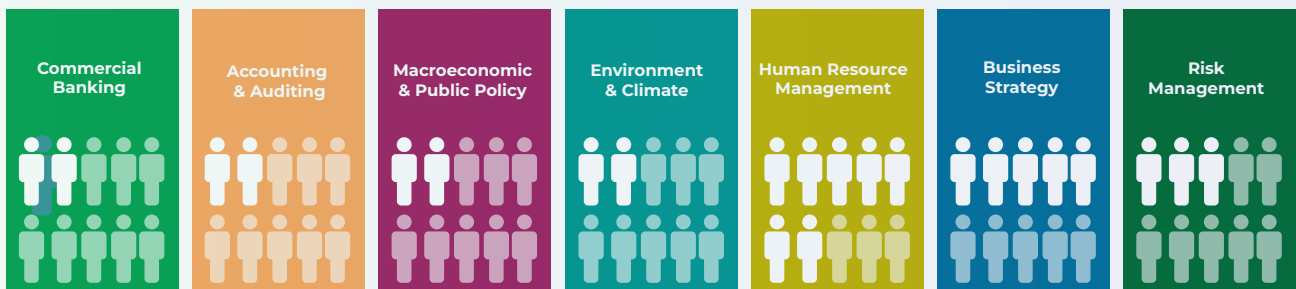


### Balance of Knowledge, Skills & Experience

### Well Diversified to add Value to all Aspects of CRDB Bank Group

Over the years, we have learned that to succeed in this fast-paced business environment, our bank needs a broad range of skills to ensure and create value in the interest of all stakeholders. The board determines the required composition of skills in response to the rapidly changing environment and shifts in CRDB Bank's own long-term strategy. Having the appropriate mix of skills and experience ensures that the Board is well-equipped to guide and drive the bank's strategy into the future and thereby create value.

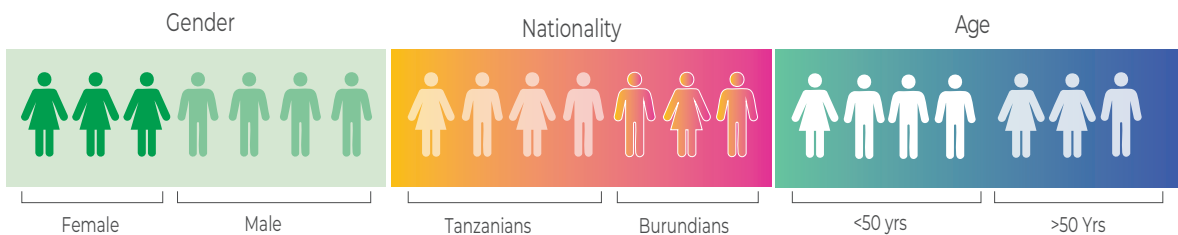
### Board skills and Experience



### Board Diversity - Being Relevant in a Transforming Society

Our bank considers board diversity as a critical factor in ensuring the bank remains committed to its purpose of transforming lives through financial sector innovation and intuitive action. We have learned from other markets that diversity matters, as companies that embrace gender, race and ethnic diversity perform better financially.

As part of our long term strategy, CRDB Bank. is committed to promoting diversity at board level, with diversity and inclusion being key considerations in our board selection processes. We strive for a transformed board transcends biases and stereotypes. The bank's policy on the promotion of gender diversity at board level has been incorporated into the board continuity programme.



## Board Profiles



**CPA Hosea Kashimba**  
Board Chairman

CPA Hosea Ezekiel Kashimba joined CRDB Bank Burundi board since 2019. He is currently serving as the Director of Finance of the Roads Fund Board under the Ministry of Works in Tanzania. He was the Director General of the Public Services Social Security Fund (PSSSF) for five years until Feb 2024. Before being a CEO, he was a seasoned Chief Audit Executive as the Director of Internal Audit at the PPF Pensions Fund (PPF) in Tanzania. Prior to this role, he held positions including Internal Auditor and Payroll Accountant within the PPF Pensions Fund. He holds Master's in Business Administration (Corporate Management) from Mzumbe University Tanzania, an Advanced Diploma in Certified Accountancy from IDM Mzumbe now Mzumbe University and being a Certified Public Accountant (CPAT) and a member of National Board of Accountants and Auditors of Tanzania (NBAA ). He is also a member of the Institute of Internal Auditors. CPA Kashimba exemplifies a commitment to professional excellence in accountancy, audit , leadership and risk management. He further solidifies his expertise as a Certified Director by the Institute of Directors Tanzania (IoDT) and attended several courses in due regard.



**Dr. (Mrs.) Oda Sindayizeruka**  
Independent Director

Dr. Oda Sindayizeruka serves as a Financial Expert of the Productivity and Agricultural Market Development Project (PRODEMA), funded by the World Bank, and also holds the position of Financial Expert for the "Sustainable Coffee Landscape Project" (PADZOC), funded by the Global Environmental Facility. Previously, she held roles as a Lecturer and Vice Dean at the Faculty of Economics and Administrative Sciences, University of Burundi, and later as Head of Finance and Administration. Dr. Sindayizeruka earned her PhD in Economics, specializing in Agricultural Economics, Rural Development, and Agribusiness from the University of Montpellier I, France, along with a master's and bachelor's degree in Economics Sciences, focusing on Agricultural Economics, Rural, and Agribusiness.



**Dr. Elizabeth Mkoba**  
Independent Director

Dr. Elizabeth Mkoba, a Lecturer at the School of Computational and Communication Science and Engineering, Nelson Mandela African Institution of Science and Technology, Arusha, Tanzania, specializes in IT Project Management, Applied Information Systems, and ICT4D. With affiliations to esteemed

organizations like the South African Institute of Computer Scientists and Information Technologists, she contributes as a reviewer for the National Research Foundation, Pretoria, South Africa. Dr. Mkoba holds Chartered IT Professional status and is associated with the British Computer Society. Her expertise extends to Research Methods and she is an active member of the Project Management South Africa Association. Notably, she is a distinguished Global Alumni of The Royal Princess and the Duke of Edinburgh - Commonwealth Leadership Study Conference.



**Mr. Boma Rubala**  
Independent Director

Mr. Boma currently serves as the Chief Commercial Officer of CRDB Bank Group, having joined the bank on July 1st, 2019, as the Director of Retail Banking.

Prior to his tenure at CRDB, he held various roles at National Microfinance Bank (NMB), including Head of Card Business, Head of Consumer Banking, Senior Manager Retail Liabilities, Insurance, and VAS, Product Manager Retail Liabilities, and Management Trainee. He holds a Master's of Business Administration (MBA) in Corporate Management from Mzumbe University, Tanzania, and a Bachelor of Business Administration (Accounting) from Kampala International University, Uganda. His diverse experience in banking and finance, coupled with his strong educational background, underscores his expertise in the field.



**Mr. Salvator Minani**  
Independent Director

Mr. Salvator, a seasoned lawyer and dedicated human rights advocate, brings extensive expertise and strategic acumen to his role as a consulting advocate in Bujumbura. With a rich background in human rights issues, he previously served as Project Coordinator for the Promotion of Criminal Justice in Burundi at the

Association for Justice and Equity in Burundi (AJEJU-GENDERINGINGO). Prior to that, Salvator contributed to impactful initiatives such as the World Bank's "Women, Business, and the Law" project. Holding Master's degrees in Human Rights from the University of Lake Tanganyika, Burundi, and in International Trade Policy & International Trade Law from TRAPCA (a partner of Lund University, Sweden), he is currently pursuing an Executive Master's degree in Strategic Leadership, further enhancing his capacity for effective advocacy and leadership.



**Mr. Didace Ngedakumana**  
Independent Director

Mr. Didace Ngedakumana, a seasoned leader, joined CRDB Burundi S.A's Board in July 2023. Currently, he works as a Business and Investment Consultant and Lecturer at International Leadership University. He previously served as the Chief Executive Officer (CEO) at Agence de Développement du Burundi (ADB), the nation's Investment Promotion

Agency. Additionally, he served as CEO of Burundi Investment Authority (BIA), comprising influential figures driving impactful change in Government and Authorities. Mr Didace Ngedakumana was the Managing Director for Banque de l'Habitat du Burundi (BHB) before being appointed as CEO of ADB. Prior to that, Mr. Ngedakumana held the role of Director overseeing Relations with Europe at the Ministry of Foreign Affairs of the Republic of Burundi. With his extensive experience and strategic acumen, he continues to drive growth and development in both the public and private sectors.



**Mrs. Kahumbya Bashige**  
Independent Director

Mrs. Kahumbya is a Chartered Director (Institute of Directors, UK) with a wealth of expertise in Governance, Development Finance, Commercial Banking, and Corporate Finance. She serves as an elected member of the Council of the Institute of Directors, UK, where she plays a crucial role in overseeing and advising the

Board to ensure the Institute's objectives are met.

With over 20 years of experience, Kahumbya has a strong background in corporate and project finance, deal structuring, credit risk review, portfolio management, financial modeling, capital raising, and advisory services, particularly in mergers and acquisitions. She holds a Masters in Finance from Strathclyde University in Glasgow, UK, and a Bachelor of Commerce with a major in Accounting from the Catholic University of Eastern Africa, Nairobi, Kenya.



**Mr. Fredrick Siwale**  
(Managing Director)  
Board Secretary

Mr. Fredrick Siwale is a highly accomplished banking professional with over 15 years of expertise in financial services. His tenure as Managing Director follows distinguished service as Head of Global Markets within the Treasury Department.

With a robust background in capital markets, treasury management, and branch operations, he brings invaluable leadership to the organization. Mr. Siwale holds an MBA from the University of Dar-es-Salaam (UDSM), complemented by a Post-Graduate Diploma and an Advanced Diploma in Business Administration from the College of Business Education (CBE) in Dar es Salaam, Tanzania. His comprehensive skill set and academic achievements underscore his commitment to excellence in the field.

# Strategic Risk Management



## Building Resilience and Sustainable Growth in an Evolving Risk Landscape

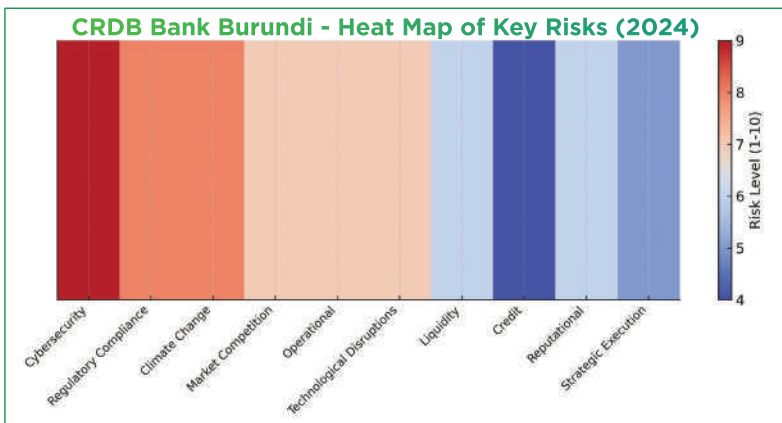
**Prosper Nyenimpundu**  
Director of Risk and Compliance

The In today’s fastchanging financial landscape, CRDB Bank Burundi S.A’s risk management strategy is not just a defensive measure - it is the engine driving sustainable growth. In 2024, the bank reinforced its commitment to safeguarding financial strength and creating longterm value by anticipating and mitigating risks in a dynamic market.

This blueprint outlines the proactive steps taken to identify, assess, and manage risks, ensuring that the bank remains resilient amidst external uncertainties and internal challenges.

### The Evolving Risk Landscape

Global economic fluctuations, technological disruptions, and an evolving regulatory environment contribute to a complex risk landscape. Locally, heightened competition from FinTech innovators and shifting consumer expectations add further layers of challenge. Against this backdrop, CRDB Bank Burundi S.A continuously refines its risk management practices to capture both macroeconomic and microeconomic shifts that could impact its operations, reputation, and financial performance.



### Strategic Risk Identification and Assessment

CRDB Bank Burundi S.A employs an enterprise-wide risk management framework to systematically pinpoint key risks. Among the most critical are:

- Cybersecurity Risks** - With an increased reliance on digital channels, cyber threats remain at the forefront.
- Regulatory & Compliance Risks** - Constantly evolving regulations require agile responses and robust compliance measures.
- Environmental & Climate Change Risks** - Growing awareness and real-world impacts have elevated these risks from medium to high.
- Competitive & Market Risks** - Though somewhat mitigated by digital transformation, the threat from non-bank players remains significant.
- Operational, Technological, Liquidity, Credit, Reputational, and Strategic Execution Risks** - Each of these is monitored closely to ensure that internal controls and proactive measures keep them within acceptable limits.



The following table summarizes the top 10 risks, ranking them according to their severity in 2023 and their evolution in 2024:

Rank	Risk Category	2023 Risk Level	2024 Risk Level	Evolution/Comments
1	Cybersecurity Risks	High (9)	High (9)	Remained critical amid increased digital reliance.
2	Regulatory & Compliance Risks	High (8)	High (8)	Steady, as evolving regulations demand continuous vigilance.
3	Environmental & Climate Change Risks	Medium (6)	High (8)	Elevated due to increased awareness of physical and transition impacts.
4	Competitive & Market Risks	High (8)	Medium (7)	Partially mitigated by strategic digital initiatives.
5	Operational Risks	Medium (7)	Medium (7)	Consistent due to robust internal controls.
6	Technological Disruptions	Medium (7)	Medium (7)	Balanced by ongoing investments in technology.
7	Liquidity & Funding Risks	Medium (6)	Medium (6)	Remained stable with proactive liquidity management.
8	Credit Risks	Low (4)	Low (4)	Effectively managed, with controlled non-performing loans.
9	Reputational Risks	Medium (6)	Medium (6)	Stable, supported by effective stakeholder engagement.
10	Strategic Execution Risks	Medium (5)	Medium (5)	Focus on alignment ensures steady control over strategic implementation.

### Risk Management Framework and Governance

CRDB Bank Burundi S.A's integrated risk management framework is built on the "three lines of defence" model. This structure assigns clear responsibilities within business functions and reinforces independent oversight through dedicated risk and compliance units. Proactive risk identification, continuous monitoring, and well-established internal controls ensure that emerging risks are addressed before they can impact operations. At the board level, risk appetite is defined and reviewed regularly, embedding a risk-aware culture throughout the organization.

### Mitigation Strategies and Implementation

To effectively address the risks identified in 2024, CRDB Bank Burundi S.A has proactively deployed targeted mitigation strategies aligned with its strategic goals and operational objectives. The Bank continues to make substantial investments in digital transformation and cybersecurity, bolstering its

digital infrastructure to safeguard against emerging cyber threats and potential security breaches. Recognizing the dynamic nature of the regulatory environment, CRDB Bank maintains consistent and open dialogue with regulatory authorities, ensuring compliance with evolving guidelines and reducing disruptions through proactive engagement.

Moreover, the Bank has intensified its focus on environmental sustainability, integrating ESG considerations into its credit and investment decisions, effectively addressing the increasingly significant challenges posed by climate-related risks. Through continuous dialogue with stakeholders and strategic incorporation of ESG criteria, the Bank manages both physical and transitional climate risks, ensuring resilience and sustainable business operations.

These measures collectively fortify the Bank's competitive positioning, ensure compliance with stringent regulatory frameworks, enhance operational efficiency, and ultimately support long-term, sustainable growth.

### Monitoring, Reporting, and Future Outlook

Continuous monitoring and regular reporting to senior management ensure that risk management remains dynamic and responsive. CRDB Bank Burundi S.A is well-prepared to navigate future challenges and seize new opportunities. The bank's forward-looking approach promises to fortify its market position and support sustainable growth.

# Code of Ethics

## Code of Conduct and Ethical behaviour

At CRDB Bank Burundi S.A, we have a strong focus on ethical conduct because we believe it defines our purpose and character in society. To ensure success our Board has implemented a comprehensive code of conduct applicable to all directors and employees, including the Managing Director. This code addresses various aspects, with a particular focus on regularly reviewing and updating conflict of interest considerations. It is mandatory for all employees and directors to confirm in writing their compliance with the code, reinforcing our commitment to the highest standards of ethical behavior.

Our directors are held to the utmost standard of ethical conduct, supporting policies that emphasize integrity and honesty for both directors and employees. We maintain a zero-tolerance stance against bribery and corruption, viewing them as incompatible with good corporate governance. All staff within the Bank bear the responsibility of adhering to the Bank's Code of Conduct

### Whistleblowing Policy

The Bank has established robust whistleblowing policies and procedures to foster a culture where staff are encouraged and confident in reporting any fraudulent, immoral, unethical, or malicious activities. This extends to employees, management, those charged with governance, clients, consultants, vendors, contractors, and any other parties with a business relationship with the bank. The policy is crucial for promoting compliance and creating an environment where employees respect internal bank policies and comply with relevant laws and regulations.

### Risk Management and Internal Control

The Board ensures the Bank maintains sound risk management and internal control systems aligned with corporate values, ethics guidelines, and principles for sustainability and corporate social responsibility. Management is responsible for developing and maintaining internal control systems that provide reasonable assurance regarding operational effectiveness, asset safeguarding, business continuity, accounting record reliability, compliance with laws and regulations, and responsible behaviour toward stakeholders. The board's assessment confirms that the internal control systems are at an acceptable level.

### IT Governance

IT governance is an integral part of the overall corporate governance structure, focusing on enhancing the management and implementation of the Bank's IT structure. Adopting IT governance policies from CRDB Bank PLC ensures effective management of IT risks and alignment with overall business objectives.

### Remuneration Policy

The bank adheres to a remuneration policy determining directors' remuneration considering demands, complexities, and performance. Proposals for fees and emoluments, benchmarked against industry standards, are subject to approval at the Annual General Meeting. The policy undergoes an annual review.

### Directors' Remuneration

The remuneration of all directors undergoes an annual review to ensure appropriateness and adequacy compared to industry benchmarks. Non-executive directors are ineligible for pension scheme membership and are not part of the bank's remuneration scheme. The aggregate emoluments and fees paid during the year to directors were BIF 616 million, compared to BIF 258 million in 2023. The difference being from an additional director and the currency devaluation.





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# Our Sustainability

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# 2024 Sustainability Highlights

Initiative	Description	Impact/Outcome
<b>Environmental Sustainability</b> 	Allocated BIF 25,000,000 to support an environmental project with OPDAD Burundi, raising awareness for a cleaner, healthier environment.	Contributed to improved environmental awareness and a cleaner community.
<b>Health &amp; Wellbeing</b> 	Provided financial assistance for a child with nephrotic syndrome and supported hospital bills (BIF 11,700,000) for patients at CHUCK.	Improved access to critical healthcare and enhanced community well-being.
<b>Education Support</b> 	Enabled school access for over 100 orphans, supported the Burundi Education Project for a library's construction and equipping, and reinforced school infrastructure with donated cement.	Enhanced educational opportunities and improved learning conditions for vulnerable groups.
<b>Women &amp; Youth Empowerment</b> 	Organized the "Malkia" Forum to empower women, and conducted financial education training for 200 female university students.	Strengthened financial literacy and promoted inclusivity and gender equality in the community.
<b>Sports &amp; Community Health</b> 	Organized a marathon in Bujumbura, supported an international cycling tour, and backed a basketball club in the African Road to BAL tournament.	Promoted physical fitness, community cohesion, and provided platforms for local talent to shine internationally.
<b>Community Engagement</b> 	Supported the Burundi Government's Private Investors Conference by allocating BIF 76,500,000, mobilizing resources for national development.	Fostered strong public-private partnerships and contributed to the broader economic development agenda.
<b>Sustainable Agriculture</b> 	Financed agricultural inputs (e.g., fertilizers) and assisted in irrigation schemes, helping farmers access plots and improve commercial farming.	Boosted agricultural productivity, supporting food security and the livelihoods of rural communities.



# Sustainability Update

## Linking Initiatives to SDGs and Strategic Alignment

Initiative	Linked SDGs	Bank's Strategic Alignment
<b>Environmental Sustainability</b>  	SDG 13 (Climate Action), SDG 12 (Responsible Consumption and Production)	Supports the bank's vision of transforming lives through sustainable impact and responsible business practices.
<b>Health &amp; Wellbeing</b> 	SDG 3 (Good Health and Well-Being)	Reflects the commitment to improving community well-being and ensuring a healthy, resilient society.
<b>Education Support</b> 	SDG 4 (Quality Education)	Aligns with the bank's mission to empower communities and develop human capital through education and capacity building.
<b>Women &amp; Youth Empowerment</b> 	SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth)	Drives inclusive growth by empowering women and youth, key to the bank's commitment to financial inclusion and societal development.
<b>Sports &amp; Community Health</b> 	SDG 3 (Good Health and Well-Being), SDG 11 (Sustainable Cities and Communities)	Enhances community engagement and well-being, contributing to a vibrant, healthy society—a core part of the bank's strategy.
<b>Community Engagement</b> 	SDG 17 (Partnerships for the Goals)	Reinforces stakeholder engagement and builds long-term partnerships, which are central to the bank's sustainable growth strategy.
<b>Sustainable Agriculture</b> 	SDG 2 (Zero Hunger), SDG 8 (Decent Work and Economic Growth)	Supports the bank's goal to improve livelihoods and drive sustainable economic development through targeted financing.

These tables showcase how CRDB Bank Burundi S.A integrates sustainability into its operations—using targeted investments and community-focused initiatives—to drive both social and economic progress in line with its strategic vision.

# Corporate Social Investments



In 2025, we aim to launch a **digital literacy program** targeting rural schools, equipping students with essential digital **skills to thrive in the 21st century.**

## Upholding Values of Inclusive Growth and Responsible Citizenship

CRDB Bank Burundi S.A continues to exemplify its commitment to inclusive growth and responsible citizenship, positioning itself as more than just a financial institution but as a vital community partner. Each year, we strategically invest in social causes aimed at directly improving lives through targeted donations and sponsorships.

Our efforts are guided by four main pillars: Health, Youth, Sports, and the Environment. Additionally, we remain adaptable to address urgent community needs beyond these pillars when necessary.



### 1 Environment

During the 2024 financial year, CRDB Bank Burundi S.A made significant strides in environmental sustainability. We allocated BIF 25,000,000 to support OPDAD Burundi in an environmental project focused on raising awareness for a cleaner and healthier environment. This initiative reached over 5,000 community members, leading to a noticeable improvement in local waste management practices and community-led clean-up campaigns.

Moreover, our commitment to environmental stewardship extends beyond financial contributions. We are actively exploring partnerships with local NGOs and government bodies to launch a tree-planting initiative in 2025, aiming to plant 10,000 trees across Burundi to combat deforestation and promote biodiversity.



**2 Health**

Our dedication to health underscores our belief in the holistic development of individuals and communities. In 2024, we provided critical financial assistance to a child diagnosed with nephrotic syndrome, ensuring they received life-saving treatment abroad. This intervention not only saved a life but also brought hope to the child's family and community.

Additionally, we contributed BIF 11,700,000 to cover hospital bills for patients at CHUCK who were unable to afford medical care. This support enabled 35 patients to be discharged and continue their recovery, significantly alleviating the financial burden on their families. Looking ahead, we plan to establish a health fund in 2025 to provide ongoing support for underprivileged patients, ensuring sustainable access to healthcare.



**3 Education**

Education remains a cornerstone of our societal investments. In 2024, we provided school access to more than 100 orphans from the Buntu Foundation, ensuring they received quality education and a chance for a brighter future. Our support extended to the construction and equipping of the Gakwende Library, which now serves over 500 students and community members, fostering a culture of reading and lifelong learning.

To further enhance educational infrastructure, we donated cement to reinforce the buildings of Muremera Communal High School and provided motorcycles to facilitate administrative travel. These contributions have improved the learning environment for over 1,000 students and streamlined school operations.

In 2025, we aim to launch a digital literacy program targeting rural schools, equipping students with essential digital skills to thrive in the 21st century.



**4 Women and Youth**

Promoting inclusivity, CRDB Bank Burundi S.A has made significant efforts to support women and youth. In March 2024, we organized the “Malkia” Forum, bringing together 500 women from diverse backgrounds. This event provided a platform for networking, mentorship, and discussions on leadership and entrepreneurship, empowering women to take active roles in their communities and economies.

Additionally, we conducted a specialized financial education program for 200 female students from 10 universities in Bujumbura. This initiative equipped young women with essential financial knowledge, enabling them to make informed decisions and pursue entrepreneurial ventures. Feedback from participants indicated a 90% satisfaction rate, with many expressing interests in starting their own businesses.

In the coming year, we plan to expand this program to reach 500 young women across Burundi, further driving financial inclusion and economic empowerment.

**5 Sports**

Our commitment to sports reflects our belief in its power to foster talent, promote healthy lifestyles, and unite communities. In 2024, we organized a marathon in Bujumbura, attracting over 2,000 participants and promoting fitness and unity. We

also supported the international cycling tour hosted in Burundi, enhancing the country’s presence in global sports.

Furthermore, we proudly backed the URUNANI Basketball Club in the African Road to BAL tournament, where they represented Burundi with excellence. These initiatives not only promoted sports but also inspired young athletes to pursue their dreams.

In 2025, we aim to establish a sports academy to nurture young talent and provide them with the resources needed to excel on national and international stages.

**Community Engagement and Stakeholder Relations**

During the year under review, our commitment to community engagement remained steadfast. We allocated BIF 76,500,000 to support the Burundi government’s Private Investors Conference, aimed at mobilizing resources to realize Burundi’s vision of becoming an emerging country by 2040 and a developed nation by 2060. This initiative underscores our dedication to fostering sustainable development and economic growth.



We also strengthened our stakeholder relations by hosting quarterly community forums, where we engaged with local leaders, NGOs, and community members to identify pressing needs and co-create solutions. These forums have been instrumental in shaping our CSR strategy and ensuring our initiatives are aligned with community priorities.

**Looking Ahead**

As we step into 2025, CRDB Bank Burundi S.A reaffirms its unwavering commitment to driving positive change and creating a lasting impact within the communities we serve. Our vision for the future is rooted in addressing critical areas that foster inclusive growth, sustainability, and empowerment. To achieve this, we will focus on several key initiatives designed to uplift individuals, protect the environment, and promote holistic development

In the realm of Environmental Sustainability, we are excited to launch a large-scale tree-planting initiative aimed at combating deforestation and

promoting biodiversity across Burundi. This effort will be bolstered by partnerships with local organizations to encourage eco-friendly practices and raise awareness about the importance of preserving our natural resources for future generations.

Recognizing the vital role of Healthcare Access, we plan to establish a dedicated health fund to provide ongoing support for underprivileged patients. This initiative will ensure that financial constraints no longer hinder access to essential medical care, enabling individuals and families to lead healthier, more productive lives.

In the sphere of Education, we are committed to expanding our digital literacy program to rural schools, equipping students with the skills needed to thrive in an increasingly digital world. Additionally, we will continue to enhance educational infrastructure, creating environments that inspire learning and innovation for students across the country.

Empowering Women and Youth remains a cornerstone of our efforts. We will scale up our financial education program, reaching more young women and equipping them with the knowledge to make informed financial decisions. Furthermore, we will actively support women-led businesses, fostering entrepreneurship and economic independence.

In the area of Sports Development, we aim to establish a sports academy to nurture young talent and promote healthy lifestyles. By providing resources, training, and opportunities, we hope to inspire the next generation of athletes and unite communities through the power of sports.

Through these initiatives, CRDB Bank Burundi S.A is dedicated to building a more inclusive, sustainable, and prosperous future for all Burundians. We believe that by working together with our communities, stakeholders, and partners, we can create a legacy of positive change that endures for generations to come.



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# Financial Statements

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# CRDB BANK BURUNDI S.A.

## Report on Financial Statements

### For the year ended 31 December 2024

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## COMPANY INFORMATION

### REGISTERED OFFICE

CRDB BANK BURUNDI S.A.  
Rohero 1, Chaussée du Prince Louis Rwagasore N 490/A  
P. O. Box 254 Bujumbura -Burundi

### AUDITORS

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#### Asiatique

Quartier Asiatique, Avenue Songa  
Immeuble BATRALAC  
P. O. Box 254 Bujumbura-Burundi

#### City Market

Quartier Industriel, Avenue de l'OUA  
Immeuble Garage AUTOTECH  
P. O. Box 254 Bujumbura- Burundi

#### Intahe Premier Branch

Immeuble Intahe House  
33 Boulevard Mwezi Gisabo, Quartier Rohero 1, Bujumbura  
P. O. Box 254 Bujumbura-Burundi

#### Ngozi

Quartier Shikiro, Route Nationale N°6  
P. O. Box 254 Bujumbura-Burundi

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. INTRODUCTION

Those charged with governance have the pleasure to submit their report and the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of CRDB Bank Burundi S.A.

### 2. INCORPORATION

CRDB Bank Burundi S.A. was incorporated in Burundi in the year 2012 under the Company's Act and is domiciled in Burundi. CRDB Bank Burundi S.A. is a wholly owned subsidiary of CRDB Bank Plc. CRDB Bank Plc is a commercial bank incorporated and domiciled in Tanzania and is listed on the Dar Es Salaam Stock Exchange. The bank has a wide network and strong presence in corporate banking, Retail banking, SME, Treasury, Alternative digital channels, Micro finance, and Agency banking which efficiently offers a comprehensive range of financial services to the public.

### 3. ASPIRATION

Be an undisputable market leader

### 4. PURPOSE

Improve livelihoods and deliver sustainable impact.

### 5. VISION

Transform Lives and develop economies to their fullest potential.

### 6. MISSION

Provide disruptive solutions to unlock social-economic value for our stakeholders.

### 7. CORPORATE VALUES

We are guided by the following corporate values: Deliver impact, learn continuously, behave responsibly, and achieve together.

### 8. ENTITY OPERATION

CRDB Bank Burundi S.A is a licensed bank in Burundi under the Banks Act, 2017 of the Republic of Burundi. The principal activity of the Bank is the provision of banking services to corporate customers, SMEs, Government, microfinance institutions and individuals.

The Bank remains to be among the fastest growing commercial Banks in Burundi with a share of total customer deposits of 16% and assets share of 20% in 2024 (Ranking 1<sup>st</sup> in Loans to the public, 2<sup>nd</sup> in Total Assets and 3<sup>rd</sup> in Total Deposits)

#### **Environmental matters and impact to bank's business operations**

The Bank believe that taking care of the environmental and social matters is a serious responsibility for every individual. As a corporate citizen we have embraced a culture of responsible living, with the ultimate intention of building a sustainable work environment with insignificant impact on the environment which can impact business operations.

#### **Bank's Employees**

At CRDB Bank, we believe our people are the cornerstone of our success. Their engagement and commitment make us who we are. Our employees play an important role in contributing to the



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 8. ENTITY OPERATION (Continued)

long-term success and performance of the bank. The employee focus is centred on Learning and Development, Employee Well-being, Employee Engagement, and Diversity and inclusion.

- **Learning and Development**

Despite operating in a very tight schedule, learning is the top priority of the Bank. The Bank introduced the digital learning platform (LinkedIn) last year to facilitate self-learning among employees across the network. Convenience is guaranteed, the platform is also accessed through mobile phones hence enable staff to access the platform from anywhere.

- **Employee Well-being**

Employee wellness is an integral component of our employee value proposition, centering around the value of 'Care'. We constantly explore possibilities and opportunities to deliver the finest customer experience. In the process, we realized that an engaged workforce is not just a productive one, but also a key element for creating 'Happy Customers' begins with health. The key health issues at the workplace stem from sedentary lifestyle, coupled with improper posture and stress. We conduct regular medical check-ups and create awareness on best health practices. We also provide counselling to help our people deal with mental health issues through a dedicated helpline at the Group. All our employees are provided with medical insurance covers.

Bank also pays special attention to the importance of good nutrition, physical fitness, and stress reduction. Our Bank firmly believes that quality health plays an important role in the success of the organization and to promote health and wellbeing among our staff.

The Bank launched wellbeing services in 2021 with the focus on empowering colleagues and eligible dependents to address individuals' challenges which require support in physical and social wellbeing.

**The services include:**

- I. Professional telephone counselling: Counselling for psychosocial problems, substance abuse, and addiction, relationship problems, financial management, health, personal, or work-related problems, and all mental disorders.
- II. Professional online Counselling: For any psychological, relationship, medical stress, financial problems, marital and prenatal counselling, trauma-focused counselling, teenage counselling, family therapy, individual and corporate coaching, fitness, nutrition, and lifestyle management
- III. Managerial Consultation for stress management, crisis management, assistance in managing risk cases, cultural diversity, or performance management of employees.
- IV. Psychiatric care arrangement: outpatient assessment and care through an accredited Psychiatrist.
- V. Emergency response critical incident stress debriefing (CISD): Worksite counselling and stress management support such as armed robbery, death, or disaster at a worksite.
- VI. Education support and awareness: Conduct an awareness program across the network to equip employees on key psychological threats/signs periodically.

- **Employee Engagement**

The Bank believes Employee engagement is the foundation which support several positive business outcomes such as productivity, improved bottom lines, growth, customer experience, employee retention and safety. At CRDB employees are engaged at three different levels: physical, emotional, and cognitive. These are not only to ensure full commitment from the employees but also creates passionate and enthused workers who strive hard to work towards the Banks's vision and their personal goals.

Employees need to feel committed to the organizations they work for, need to feel valued, and need to feel that they are contributing to something meaningful, all of which can influence and be influenced

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 8. ENTITY OPERATION (Continued)

by emotions. Emotionally engaged employees are more invested in their jobs and more likely to experience job satisfaction. Having a high level of emotional engagement contributes to a positive work environment where it is easier for other employees to engage with their work.

On the aspect of physical engagement, the Bank believes employees who are physically engaged feel enthusiasm for the work they do and have improved mindset tied to mental well-being and devote their emotional and physical energy to their work. Employees with a lot of energy have better overall health, which allows them to contribute more to the business.

Fundamentally, people want to be recognized and appreciated for the efforts they make. To emphasize this in 2020 the Group formally launched an award with the name “CEO awards” aiming at recognizing excellence at the workplace. The awards were structured in line with our strategic themes to recognize key drivers of change within the Bank. As a future-oriented employer, we believe in rewarding excellence among our staff as not only a motivating factor, but also as a noble action.

The Bank believes that, to continue becoming an employer of choice in the market, it must keep its employees engaged and listened too. From time to time, the Bank has used an employee satisfaction survey as a tool to listen and engage its employees. The survey is conducted annually with the main aim to get a better understanding of employees’ morale, satisfaction, and engagement across the bank and our subsidiaries. The survey is very important for the bank as it provide feedback to management to improve the working environment.

The modality of survey is conducted via research, an online survey tool which is simple and easy to use. Employee’s survey responses are anonymous and survey team cannot trace an individual. The result of survey is communicated to staff via organized group sessions to discuss ways of improving our culture, performance and addressing problem areas.

The survey results are basically used for three purposes.

- I. Identify areas of strength, best practice, and potential improvement of our policies to make them more practical and effective.
  - II. Understand engagement drivers, satisfaction levels and team effectiveness.
  - III. Formulate actions to resolve issues that demotivate people, compromise customer satisfaction and /or diminish performance.
- **Diversity, Inclusion, Equity and Belonging**

Diversity, Inclusion, Equity and Belonging create a positive work environment for all, which leads to better ideas and helps foster a positive work environment that not only promotes equality but delivers results. A diverse and inclusive workplace is one that makes everyone, regardless of who they are or what they do for the business, feel equally involved in and supported in all areas at the workplace.

With 187 employees across the country, a key focus point for the bank is to be able to attract, recruit, develop and retain a diverse workforce. By actively seeking and including a diverse range of ideas, perspectives and approaches, the bank is better able to reflect, understand and connect with customers; foster creativity and innovation; solve complex problems; improve the quality of business decisions; and boost employee engagement and morale. Our leaders are committed to providing opportunities that allows all employees to reach their full potential.

CRDB Bank Burundi S.A. is committed to being a leader in supporting and valuing the diversity of the people, organizations, and communities, we serve by recognizing and respecting human difference and similarities. The Bank strives to create an environment responsive to different cultures and groups in all our interactions with employees, customers, visitors, suppliers, contractors, shareholders, investors and in the communities in which we operate, and we believe that, by employing people with different cultural experiences and perspectives, we can eliminate these blind spots in how we develop solutions to customer problems. We hold the belief that by enhancing understanding of how messaging,



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 8. ENTITY OPERATION (Continued)

products, and services are received by people with different points of view, we gain a competitive edge to respond to the needs in the market appropriately. For us, diversity is an integral source of our strength, because it fosters innovation and problem-solving by pushing everyone to look at things from different perspectives.

The bank has developed a diversity, inclusion, equity and belonging policy, aiming to ensure that the Bank adhere to the best human resources practices and standards. The Bank is an equal gender employer and there are several efforts being taken to maintain gender balance. As at 31 December 2024, the bank’s total workforce stood at 186 staff where 112 (60%) were males and 74 (40%) were females. The biggest age group in our workforce is below 45 years of age.

The Bank continued to focus on driving women agenda through special sessions which aimed at inspiring and empowering more women to draw unique leadership qualities that would enable them to rise to the highest levels of leadership. The Bank continued its She initiatives program as one of the initiatives aiming at empowering women through training, coaching, and mentoring.

#### Social and community issues

The bank acknowledges that Corporate Social and community issues are of increasing importance to our stakeholders and are vital to the continued success of the bank. The Bank is committed to contribute to sustainable developments by delivering economic, social, and environmental benefits for all its stakeholders. This is recognized as an important element of good corporate citizenship, alongside sustainability and good governance, aims to improve the lives of disadvantaged people across multiple development sectors. As a result, we have a Corporate Social Investment policy (CSI) that guarantees the bank always operates in a responsible manner for the benefit of our stakeholders. The bank implements CSI by partnering with and investing in communities to find sustainable solutions.

The Bank’s Corporate Social Investment strategy focus on providing solutions for significant social problems with the aim of creating long term sustainability particularly on the areas of health and wellness, education, environment, women and youth and enhancement of financial capabilities (financial literacy and financial inclusion) to the society. The Bank also focuses on programs that enable communities to provide for their own immediate needs and empower them to improve themselves in the future to earn a living and become self-sustainable and/or self-reliance.

Employees are also encouraged to be involved in CSI programs aimed at improving the standard of living of the communities surrounding them. For further details on our Corporate Social investment, refer to section 28.

#### The governance

Our Bank is founded on strong principles of good corporate governance, which we conceive as integral to our prosperity. We understand the depth of the responsibility placed upon us by our shareholders to safeguard their hard-earned investments. Therefore, we conduct our business openly and in transparent manner adhering to tenets of good corporate governance.

The Bank has Risk Management Framework which forms the Bank’s integral part of corporate governance. It defines the Bank’s high-level governance structure and documents the key responsibilities and accountabilities that are in place to manage risks inherent in the bank’s business and operations. For further details on our corporate Governance structure, refer to section 20. We have a diverse board of directors that has the right balance of skills and experience to steer our bank into prosperity.

#### The Bank’s operating model

Our integrated business model is designed to address the widespread needs covering all market segments by responding to the rapidly changing world. Our governance operating model ensures a robust internal governing bodies and proper systems and processes are in place to support our customers and stakeholders.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 8. ENTITY OPERATION (Continued)

The Bank continues to be innovative and adopt an agile operating model to be able to respond rapidly to our customers' ever-changing needs. The Bank provides a wide range of products which suit the needs of different segments in the market, through our business divisions namely Retail, Corporate, and Treasury.

#### Products and services offered.

The Bank has grown to become the most innovative and preferred financial services partner in Burundi, supported by uniquely and updated service. We are transforming our digital presence, providing simpler, seamless interactions through digital platforms while sustaining extensive customer reach through our branch network by offering digital solutions including simbanking, internet banking, and agency banking (Turi Hose). More details of bank's operating model are disclosed under section 9.

### 9. OPERATING ENVIRONMENT

#### Global Economic Growth

Global growth is projected at 3.3% in 2025 and 2026, below the historical (2000–19) average of 3.7%. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2% in 2025 and 3.5% in 2026, converging back to the target earlier in advanced economies than in emerging and developing economies.

Medium-term risks to the baseline are tilted to the downside, while the near-term outlook is characterised by divergent risks. Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty. Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and regulations.

#### Macro and micro economic overview

##### Burundi

Burundi's economy has been challenged by the COVID-19 pandemic and Russia's war in Ukraine. However, the economy is showing resilience, and the outlook is favourable, with a GDP growth rate of 4.6 percent in 2024 and projected to be 5.9 percent in 2025 owing to the mining sector and public investment. Macroeconomic hurdles persist in Burundi, including deteriorating terms of trade and accelerating domestic inflation that is threatening already challenging living standards.

The overall inflation reached 36.3 percent end of December 2024, from 20.3 percent end of December 2023. The BIF/USD closed at 2,915 on 31 December 2024 compared to 2,856 reported on 31 December 2023.

The economic outlook of Burundi had been promising, with growth projected to a robust 5.9 percent in the medium term, supported by several positive developments including the impact of reforms, projects in the agricultural and mining sectors, and financial deepening. Economic growth prospects remain strong, also supported by the country's progressive re-engagement with the IMF and the international community.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. OPERATING ENVIRONMENT (Continued)

#### Climate change issues and policy options

Burundi is known as one of the most vulnerable countries to climate change in the world due to its geographical (rugged relief) and climatic (floods, droughts, heat) characteristics, worsened by the socio-economic situation of a large part of the population living below the poverty line. The observed and predicted impacts of climate change progressively undermine development efforts and risk hampering the aspirations of the Burundian people contained in Vision 2025. The Vision of Burundi 2025 describes actions and goals that the government will take to ensure sustainable development of Burundi until 2025.

In respect of the energy sector, the goal is to reduce wood burning for heating and cooking in households. Promotion and deployment of renewable technologies will provide the population with better quality of energy, minimize health hazards, and reduce the deforestation process. Micro and mini renewable plants are particularly a focus of Vision 2025.

Furthermore, Burundi completed a Green Climate Fund (GCF) readiness grant aimed at strengthening the National Designated Authority (NDA) to better perform the coordination role for climate change initiatives and the establishment of a sustainable mechanism of engaging key stakeholders, including women groups and the private sector in climate finance decision-making. In its current updated Nationally Determined Contribution (NDC), Burundi expanded the geographical and sectoral scope of its adaptation ambition, while making an unconditional pledge to reduce emissions by 3.0% by 2030, or 12.6% with international support. The NDC includes the development of a logical framework to monitor and assess the implementation of the actions.

#### Competitive position

The banking landscape continues to face competition from other players, mainly Mobile Network Operators (MNOs) and FinTech with technology disruptions becoming a norm. CRDB will continue to drive a digital transformation agenda towards building the bank of the future and creating value to our society through access to credit, financial inclusion and social responsibility programs.

The Bank will continue to leverage its competitive advantage through customer centricity, improved technology, wide network of over 32 outlets (branches and franchises) and a committed work force to deliver value to all stakeholders. The Bank continues to support customers demand which has been a sustainable focus throughout the year. This has been achieved through providing banking services all over Burundi.

#### Speed and effect of technological change

In today's world, banks offer most of its banking services online through digital channels, including the Internet and mobile applications with limited physical presence. Bank's business operation is based on the application of financial technology (fintech) and innovation. Technology plays a pivotal role in determining what customers want and how their needs can be met. With the benefits of a technology-driven operation and a cloud-native banking model, new customer experiences and financial inclusion can be achieved.

The banking sector has embraced technology to serve customers more efficiently and conveniently. The use of technology has revolutionized banking from brick and mortar to clicks, changing how banks deliver services across its channels. The Bank is strategically focused to deploy technological advancements to meet the growing customers' demands and remain competitive. The Bank committed to adopting new technologies and business models that support growth and driving digital adoption.

The emergence of online banking has changed the way banks operate, and the risk profile. With a heavy reliance on technology banks are exposed to various risks like information and cybersecurity risks. Data leakage and confidentiality breaches due to unauthorized access or cyberattack may result in legal costs and serious damage to the bank's reputation. CRDB has established a cyber security

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. OPERATING ENVIRONMENT (Continued)

framework that safeguards its network from any breach efforts and ensures financial security for its clients to prevent breaches. CRDB bank's information security is of paramount importance as its core business area is the provision of banking services to clientele both within the country and in the Diaspora through our outlets physical and online.

#### **Market forces**

The Bank serves a diverse customer base with changing needs and ever-increasing demand for more value and convenience. Technology is highly impacting the banking landscape; clients expect seamless 24/7 banking with constant innovation. The Bank maintains a customer centric focus, innovating business models that meet the customer demands and leverages on cutting edge technology to find solutions for customer needs. We have enhanced capabilities of our core banking system and alternative channels and ensure our footprint presence across the country.

#### **Societal matters in the environment we operate**

##### ***Financial inclusion***

Building on our desire to transform, we remain keen on deepening access to financial services in Burundi because we believe financial inclusion has a bearing on our sustainability. We strive for full inclusion for the unserved and underserved population within our market of operation.

The Bank made reforms in its business which is concentrated in creating sustainable value, increasing financial inclusion, and building the economy integrated through products, services, and innovative service delivery systems through our wide range of network, ATMs, Agency banking and point of sales. Our distribution network for example Turi Hose agents increased to reach 2 000 from 1 530 recorded last year. The bank also operated simbanking and internet banking channels with 40 022 and 16 901 customers registered to the services respectively. All these lead to improved access to financial services in the region which focus on strengthening financial inclusion.

Our strategy embraces a broad definition of financial inclusion, seeking to improve access, ensure quality and actual usage of financial products and services, including credit, payments, remittances, and savings. As a Bank, we are focused on making sure technology transforms financial services in a way that works for everyone.

##### ***Human rights***

CRDB Bank Burundi S.A. complies with all regional and international human rights instruments. We also promote human rights through our employment policies and practices, through our supply chain and through the responsible use of our products and service in accordance with the requirements of the Constitution of the Republic Burundi.

##### ***Health***

The Bank is committed to conducting our business in compliance with all applicable health and safety laws and regulations. The Bank strive to provide a safe and healthy work environment to avoid adverse impact and injury to its employees and customers by taking responsibilities towards the safety of everyone on our premises, including employees, contractors, customers, visitors, and members of the public, and ensures that they are not exposed to risks that may compromise their Health and Safety.

##### ***Population and demographic changes***

The Bank maintains a customer-centric focus and consider demographic data such as age, education, income, ethnicity, and gender to create business models that meet the customer demands by using all valuable pieces of information when developing new products, creating marketing campaigns, or deciding where to place branches and agencies. With all the parameters of demographic the bank consider age as very crucial that need to be tracked because of the move of wealth into younger generations.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. OPERATING ENVIRONMENT (Continued)

#### Environmental challenges

In a bid to enhance the economy and maximize wealth, humans continue to engage in activities that are detrimental to the environment. As a result, the world is faced with the challenges of climate change, such as floods, loss of ecosystem, heat waves and resource shortages as planetary limit are approached. Concern for environment related issues is increasing globally and, recently, among enterprises and institutions, leading to the development of various means of evaluating it. Climate change presents a conspicuous threat to societies as well as natural environments. As a financial services provider, we will continue to promote environmental sustainability to mitigate climate change risk in Burundi and outside Burundi while using constructive and advanced initiatives to contribute towards a more sustainable future for the societies in which we operate.

#### Political environment

CRDB Bank Burundi S.A is operating under stable political environment to safeguard the interests of shareholders and meet stakeholders’ needs, and overall stabilization and growth of the bank and economy at large. The stable political environment has also promoted the increase in foreign and domestic investments and operations through fair and stable tax regime, and policies induced by the government leading to the increase of production capacity. The country political stability provides assurance to both local and international stakeholders, as well as increased investments.

### 10. BANK STRATEGY AND OBJECTIVES

#### Highlight of implementation of five years’ strategy

CRDB Bank embarked on a five-year business strategy (2023 – 2027) focused around four main areas - ‘Improve Livelihoods and deliver sustainable Impact’ as the purpose, ‘Transform Lives and develop economies to their fullest potential’ as the vision, Providing disruptive solutions to unlock social-economic value for our stakeholders’ as the mission, and the aspiration ‘To be the market leader’. These strategic directional instruments for the five years provide a wider context of the bank’s growth ambitions, considering the challenges within the markets of operations, and our stakeholders’ aspirations.

The current Strategy is being implemented through four main objectives which are, ‘Become obsessed with the customer’, ‘Increase capability to seize opportunities in business regions and key sectors’, ‘Build a strong, healthy and productive Workforce’, and ‘Improve the organization resilience efficiency & sustainability’.

2024 was the 2<sup>nd</sup> year of implementation of the Bank’s five-year business strategy for the period 2023-2027. Being the first year of the strategy implementation with the strategic aspiration of “evolve,” the bank aimed at deploying bold strategies to address internal setbacks which hinder our performance goals.

In 2024, the Bank has made commendable progress in its implementation, resulting in significant gains in terms of positioning the Bank for sustainable growth. To ensure optimal delivery on the strategy, the Bank uses strategic themes for each financial year, which are informed by both the external environment and the challenges within the organization.

The strategic themes play a significant role in ensuring fidelity to the medium-term strategy, and a sustained focus on seven strategic thrusts within the context of the long-term vision of the organization. The Bank has seven established strategic segments to serve namely; Youth, Women, Agriculture, MSMEs, Salaried, Diaspora and Corporate & Public.

CRDB Bank Burundi S.A recognizes the need to identify and prioritize strategic areas in line with the market and its core capabilities but in consideration of the current climate change initiatives and digital transformation.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 10. BANK STRATEGY AND OBJECTIVES (Continued)

#### The Bank's strategic progress

The Bank reports on the outcomes of the strategic progress that we have made in 2024 by evaluating our financial and non-financial performance against our strategic value drivers. As we move towards completion of the ending strategy, the Bank has sustained growth amid market dynamics and performed remarkably well when compared to the set strategic financial KPIs.

This achievement was made possible through enhancement of balance sheet efficacy, driving a seamless digital experience for our customers, addressing productivity and efficiency gaps, revamping the distribution model, and maximizing on strategic partnerships and stakeholders' engagement. As a result, the Bank experienced growth in all angles of the Business:

- An increased customer base and transaction channels
- Increased financial inclusion, accessibility, and penetration through digital channels.
- Higher efficiency and optimized costs through improvements in technology
- Good portfolio quality
- A strong market presence with a recognizable brand
- Strengthened compliance and good corporate governance.

Below are the bank's financial KPIs that those charged with governance use in measuring the achievement of strategic objective set and managing bank's operations.

Key financial performance Indicator	Target 2024	2024	2023	2022	2021	2020
Return on Equity	> 30.5%	31.1%	34.50%	35.00%	26.80%	27.70%
Return on Assets	> 3.6%	3.2%	3.50%	3.50%	3.00%	3.90%
Cost to income ratio (CIR)	< 45.3%	47.2%	43.00%	45.40%	52.10%	50.80%
Growth in customer deposits	> 67%	37.8%	32.00%	62.00%	73.40%	49.20%
Non-performing loans to total loans	< 3%	1.2%	0.22%	0.30%	0.30%	0.90%
Growth in loans and advances to customers	> 54%	33.1%	123%	58.40%	46.40%	69.80%
Growth in total assets	> 47%	61.1%	48.80%	55.20%	64.90%	38.70%
Total Capital ratio	> 23%	18.3%	21.80%	24.70%	25.40%	28.40%

The Bank continued to be resilient as it recovered from the impact of the COVID-19 pandemic and emerging risks such as climate change and geopolitical conflicts, which have created high volatility and instability in the global markets. To shield itself from the effects of global turbulence, the Bank continued to implement measures to enhance our ability and flexibility to adapt to the constantly evolving business environment. These measures include capacity building, strengthening of our balance sheet, harmonization of our channel distribution and enhancement of portfolio quality management. In return, the Bank recorded high growth in profit after tax (41% YoY), with other critical parameters being above budget.

#### Bank short, medium, and long-term strategic objectives

For the Bank to create long-term sustainable value, we recognize the need for an appropriate strategy, focused leadership, healthy corporate values, and timely response to shareholder's needs. In the long term, the Bank's primary objective is to attain market leadership and bring sustainable impact for the Burundi Community.

As we progress on our new strategy 2023-2027, we are confident that we will continue to respond effectively to the industry's challenges and most importantly, the bank has re-imagined itself to improve its competitiveness and secure its sustainability for decades to come. We have continued to



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 10. BANK STRATEGY AND OBJECTIVES (Continued)

#### Bank short, medium, and long-term strategic objectives (Continued)

prioritize efficiency, innovation, competitiveness, and our focus on sustainability to deliver our 2027 ambitions and fulfil our purpose.

During the development of the Bank 5-year strategy (2023-2027), the Bank had:

- Identified its goals and aspirations.
- Identified priority areas of focus i.e., customer segments, products, geographical locations and channels.
- How CRDB will position itself as a preferred Bank for Burundi market to ensure success
- How CRDB will configure itself internally to capture and maintain clients within Burundi market

#### Strategies to implement strategic objectives

The Bank aims to achieve digitalization across all our transactions through increasing accessibility of banking services by encouraging virtual money management through providing value-adding internet and mobile banking functionalities. The Bank will continue to optimize the balance sheet, capitalize on stakeholder engagements for business growth, and build capacity to hasten execution of the strategy. The Bank shall also continue to create technological strength to increase our capacity to serve.

We aspire to enhance service experience through process simplification and automation. We will therefore prioritize the delivery of critical technology projects as enablers and accelerate process reengineering programs. This is in line with the bank vision (2023-2027), that is; Transform lives and develop economies to their fullest potential.

#### Bank strategic pillars

Our strategic priorities shall remain centred around cementing our position in the market, business growth, sustainability and building strong foundations for future growth. Everything we do will focus on the below three priorities and we have set targets against which we will track our progress.

<b>Strategic Pillars</b>	Ringfence the Business	Strengthen our service offerings and cement our presence in the market
	Grow the Business	Tap into our unrealized potential and introduce offerings that are new to the Bank
	Futureproof the Business	Enhance Sustainability and Governance, explore new horizons to adapt to evolving client demands

#### Our strategic framework

The bank set a framework which set the strategy to achieve the objective set

Strategic	Provide distinctive customer experience. Attract new and retain existing customers Increase the transaction income Compliance with Regulation Increase in market share
Economic	Improve the return on equity Grow quality loan book responsibly Improve the efficiency ratio
Operational	Digital transformation Develop automated solutions Train and develop employees
Social	Help surrounding communities Financial inclusion
Environmental	Build a reputation as an employer of choice Ensure environmental sustainability

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 10. BANK STRATEGY AND OBJECTIVES (Continued)

Those charged with governance manage the Bank’s operations by monitoring the achievement of KPIs set on a quarterly basis through the performance reports which are being presented by Management, highlighting the achievement of each KPI, challenges if any regarding the internal or external environment and the support required to achieve the set objectives.

### 11. BANK BUSINESS OPERATING MODEL

CRDB Bank plays a key role in connecting the providers and users of capital. We recognize the role we play in society, and our success as a business has always been closely linked to the progress of the people, communities, and businesses we serve. We aspire to grow and deliver value for all our stakeholders. For us, value is best illustrated in the quality of lives of our shareholders, our people, and the community around us. In driving value for our stakeholders, we anchor our actions on a firm foundation of the defined strong values.

The Bank’s mission is to provide disruptive solutions to unlock social-economic value for our stakeholders while our purpose is to improve livelihoods and deliver sustainable impact.

We have a robust portfolio supported by a resilient balance sheet and great talent. We invest in people, technology, and processes to deliver value in a responsible and sustainable manner. Therefore, through innovation and strategic investments, we continue to expand our delivery channels to deepen access to financial services.

The Bank has a robust plan to drive financial inclusion with a clear aim to serve underserved communities and include the lower segment of the market into the financial ecosystem. As a commercial bank in Burundi, our relevance today and in the future, along with our ability to create value for our stakeholders is dependent on our capability to effectively manage and leverage the forms of resources available by transforming inputs, through our operating activities, into outputs and outcomes that aim to fulfil the Bank’s strategic purposes and create value over the short, medium, and long term.

#### Inputs employed to provide service to customers.

Below are the key inputs relating to the key resources on which the bank depends to provide services to the customers.

Resources	Input
<p><b>Financial resources</b></p> <p>We deploy our financial resources to support our customers achieve their goals. Our strong base of our financial capital supports our operations and funding growth. Our investors, both debt and equity, played a big part in the makeup of our financial capital to execute the Bank’s strategy. The Bank maintained a solid capital base and diversified funding sources that enabled us to provide banking solutions competitively across the markets we operate. Group access fund at the competitive rates, to efficiently create and maximize shareholder value.</p>	<ul style="list-style-type: none"> <li>• Strong balance sheet with Total assets BIF 1 803 billion and equity BIF 146 billion</li> <li>• Material market share of total customer deposits 16% and 20% of total assets</li> </ul>



**THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**11. BANK BUSINESS OPERATING MODEL (Continued)**

Resources	Input
<p><b>Human resources</b></p> <p>Our people are our organization. We deliver success through a purpose-driven and inclusive culture. Our people are at the heart of our success. Their diverse skill sets, expertise and industry knowledge constitute our human capital. We enhance our human capital through continuous training and development programmes. Our focus on developing a skilled and motivated workforce enables us to acquire, serve and retain our customers.</p> <p>We have an engaged and motivated workforce that is guided by a clear vision and anchored in strong values. We are focused on embedding a culture of continuous development, which increases competitiveness and investment in the development of skills required by employees to serve the digital customer of the future.</p> <p><b>Intellectual resources</b></p> <p>The adoption of data analytics and emerging technologies enables us to increase operational efficiencies. The knowledge and expertise incorporated within our systems, processes and procedures and the equity built in the Bank’s brand constitute our intellectual capital.</p> <p>We have invested in a strong brand, strategic partnerships and innovative products and solutions that we offer to our customers. We have made commendable progress in digital adoption with focus on automation, which is a key driver of delivering our digital strategy.</p> <p><b>Natural resources</b></p> <p>The natural resources we consume to conduct our business and seamlessly deliver our products and services constitute our natural capital. Our energy consumption, carbon dioxide emissions, paper consumption and waste management impact this capital. Further, we screen all credit facilities to assess them for environmental and social risks.</p>	<ul style="list-style-type: none"> <li>• The bank’s total workforce stood at 186 staff where 112 (60%) were males and 74 (40%) were females.</li> <li>• The biggest age group in our workforce, 171 is below 45 years of age (91%)</li> <li>• Experienced and competent leadership team</li> <li>• Gender and diversity inclusiveness</li> <li>• Equal opportunities in training and development</li> <li>• Free of discrimination and harassment</li> </ul> <ul style="list-style-type: none"> <li>• Strong heritage brand</li> <li>• Our philosophy of service is driven by our deep belief in innovation.</li> <li>• Our sustainability strategy speaks to our desire to spearhead innovation in the financial services sector.</li> </ul> <ul style="list-style-type: none"> <li>• The Bank is keen on the consumption of electricity, fuel, water at our offices and driving paperless culture.</li> <li>• The Bank finance projects and businesses which manage their social and environmental impact in a responsible manner.</li> </ul>

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**11. BANK BUSINESS OPERATING MODEL (Continued)**

Resources	Input
<p><b>Natural resources(continued)</b></p> <p>We are keen on the consumption of electricity, fuel, and water at our offices and driving paperless transactions through deployment of digital tools and automation. We are committed to reducing our carbon footprint by remaining conscious to our materiality.</p> <p><b>Manufactured resources.</b></p> <p>Our physical and digital infrastructure through which we conduct business activities. It includes our branch network, digital platforms, and IT estate which we are in the process of enhancing and simplifying.</p> <p><b>Social and relationship resources</b></p> <p>In our engagements with key stakeholders, we continuously strive to deliver a meaningful value exchange. We value the views of our stakeholders because they play a significant role in shaping our response to business and societal issues.</p>	<ul style="list-style-type: none"> <li>• The Bank embraces a culture of responsible living, with the ultimate intention of building a sustainable work environment.</li>   <li>• Our distribution network comprising;</li> <li>• Banking outlets 33 (including super agents and franchises)</li> <li>• ATMs (11)</li> <li>• Turi Hose agents (2 000)</li> <li>• It also covers our IT infrastructure and security.</li>   <li>• Stakeholders' relationship is key for the success.</li> <li>• Continuous engagement with regulators.</li> </ul>

**Our core business activities**

The Bank differentiates itself in the market by providing excellent service to our customers. The Bank's strategic aspiration is centred on "customer first, innovative mind and efficiency at core". Our robust technology and infrastructure capabilities drive seamless customer experiences and support strong resiliency. We have invested in technology, which enables competitive product development, enhancement of digital channels and implementation of reliable techniques for control of risks, therefore enabling us to reach diversified markets.

The Bank's business model offers a comprehensive range of financial services to individuals, Small and Medium-sized Enterprises (SMEs) and corporations. Our integrated business model is designed to address the widespread needs covering all market segments by responding to the rapidly changing world.

The below are the key products and services offered by the bank;

- Accepting customer's deposits and providing secured and unsecured loans in form of term loans, overdrafts, salary advance, credit card, Letter of credit and guarantee based on customer needs and risk appetite.
- Providing transfer of funds within and outside the country through various channels such as simbanking, internet banking, Swift, etc.
- Protecting against risk through the Bancassurance business.
- Trade and supplier finance through issuance of Letter of credit and guarantee as a working capital to access international markets.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 11. BANK BUSINESS OPERATING MODEL (Continued)

#### **Bank's approaches to innovation**

Innovations which are being implemented by the bank come from the business strategy and customer needs. CRDB is the bank that listens, we listen what our customers need at that specific moment and align our strategy to meet the customer's needs.

#### **Operating model and response to change**

The Bank's operating model is designed to be flexible and provide room to quickly adapt to changes in the environment we operate. It requires continuous innovation and proactiveness for the bank to stay competitive in addressing market demands while improving customer experience. The bank's strategy is to continuously promote and drive an agile culture throughout the organisation to speed-up execution and adapt the changes in the environment we operate.

### 12. STAKEHOLDER RELATIONSHIP

Effective relationship through consistent dialogue with key stakeholders is central to business sustainability, both in terms of understanding the key stakeholders needs and interest, opinions, and concerns, and in delivering the bank's commitments and respond on concerns through decisions, actions, and performance as well as on going communication with our stakeholders.

Set out below are the key stakeholders with whom the bank engages on a regular basis and the means of engagement.

Stakeholder	Stakeholders' Engagement	Outcome
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>Annual General Meeting (AGM) is held on a yearly basis,</li> <li>The annual report</li> <li>Regular investors meeting</li> </ul>	<p>Shareholder value creation through an attractive and sustainable dividend stream (BIF 214 700 dividend per share in year 2024 for 2023 performance and expect to declare BIF 162 206 dividend per share in 2025 for 2024 performance.)</p> <p>Continuous engagement to inform their investment decisions.</p> <p>Transparent reporting and Sound risk management.</p>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Continuous engagement between management and employees through various ways physically and virtually where employees are encouraged to speak up all matters pertaining staff issues.</li> <li>Employee annual feedback survey through an online platform is conducted to get feedback from employees on areas for improvement.</li> <li>Annual performance appraisal discussions.</li> </ul>	<ul style="list-style-type: none"> <li>A workplace where employees can be productive and achieve their potential.</li> <li>Fair remuneration, effective performance management and recognition.</li> <li>Career development and advancement opportunities.</li> <li>A safe and health work environment.</li> </ul>

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**12. STAKEHOLDER RELATIONSHIP (Continued)**

Stakeholder	Stakeholders' Engagement	Outcome
<b>Customers</b>	<ul style="list-style-type: none"> <li>A series of branch/office visits and customer events for retail, corporate and insurance customers.</li> <li>A hotline is there to ensure constant engagement with the customers; and</li> <li>Interaction with customers via CRDB website and other social media platform including the Instagram, Facebook, and Twitter.</li> </ul>	<ul style="list-style-type: none"> <li>Innovative financial solutions and services</li> <li>Convenient access to banking services through digital channels.</li> <li>Excellence in client service.</li> <li>Value-for-money banking that is competitive and transparent in pricing.</li> <li>Strong cyber risk management</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Formalized procurement policies and procedures have been established throughout the bank; and</li> <li>Competitive procurement of goods and supplies is always exercised, and fairness is of utmost importance while awarding supply contract to selected service providers.</li> <li>Regular meetings virtually and physically</li> </ul>	<ul style="list-style-type: none"> <li>Fair bidding and timely payments</li> <li>Governance and ethical practices.</li> </ul>
<b>Regulatory authorities</b>	<ul style="list-style-type: none"> <li>Regular communication with the Central Bank of the Republic of Burundi (BRB), Telecommunication Regulatory Authority (ARCT), and</li> <li>Interaction with Burundi Revenue Authority (OBR) in respect of CRDB's tax commitments, as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance on legal and regulatory obligation.</li> <li>formulation of relevant policy frameworks and enforcement thereof.</li> <li>Active participation and contribution to industry and regulatory working groups.</li> <li>Financial stability.</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>Regular interactions through Government relations and Regulatory Affairs teams.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous streamlining with all required regulations</li> <li>A stable and transformed financial services sector.</li> <li>During the year tax BIF 9.9 billion was paid to the Government</li> </ul>
<b>Community/Society</b>	<ul style="list-style-type: none"> <li>Collaboration with related entities concerning CSI to foster responsible initiatives and disseminate best practices; and financial literacy and inclusion initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Providing support and access to social and environmental financing to address societal needs.</li> <li>Increased access to, and funding for education, health, and sports-related opportunities.</li> <li>Innovative products that address societal and economic challenges.</li> </ul>



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 12. STAKEHOLDER RELATIONSHIP (Continued)

#### Stakeholders Scorecard

Our business is built on a desire to transform lives. The activities are designed to drive three main outcomes: drive social progress and individual well-being, help preserve the environment and ensuring sustainable prosperity for all stakeholders. The bank recognises that, the value of our stakeholders' relationships influences our ability to accomplish our purpose. Hence, we measure the value of our relationship with our stakeholders through a variety of ways to make an informed evaluation.

Stakeholders	Indicator	How does it link to value creation	2024	2023
<b>Customers</b>	Net Promoters Score	Quality of service experienced by customers.	77%	85%
	Customer Satisfaction Score		90%	85%
<b>Employees</b>	Staff engagement	Engaged employees	88%	88%
	Retention of high performing employees	Ability to retain high -performing employees	100%	100%
	Permanent employee turnover	Ability to retain employees	3.7%	2.05%
	Diversity-Internal promotion of women	Development of interna skills and capability	7	7

Stakeholders	Indicator	How does it link to value creation	2024	2023
<b>Customers</b>	Diversity -women in middle management	Progress of women in leadership position	33.3%	38.5%
	Training amount Spent	Employee development investments	890 Mn	473 Mn
<b>Regulator</b>	Liquidity coverage	BRB Compliance	336%	305%
	Retention of high performing employees	Ability to retain high -performing employees	100%	100%
	Tax paid	Contribution to Government funds	9.9 bn	3.9 bn
<b>Societal and Planet</b>	Education, health, and environment	Contribution to society and the planet	75.3 Mn	67Mn

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**13. FACTORS THAT IMPACTED OUR ABILITY TO CREATE VALUE**

Our operating environment is characterised by increased competition, disruptive technologies, changing consumer behaviour and regulatory and policy changes. Within the context of our current strategic, cultural, and digital journey. The Bank manages the following material matters.

Issue	Risk/Impact on Value Creation	Our Response
<b>Increasing Competition</b>	Loss of market share coupled with pressure on revenues and possible loss of revenues if our offerings do not remain competitive.	Delivering innovative products and services through an increasingly automated and digitized environment.
<b>Disruptive technologies and digital adoption</b>	Digital transformation is changing the way we do business, from client on-boarding and products sales to servicing.	Improving our partnerships to drive greater alignment between our business and technology partners to ensure we remain agile in the face of change.
<b>Rising stakeholder expectations</b>	Stakeholders' sentiments can impact our reputation and, affect the cost and availability of funding that is required to drive long-term performance.	Increased engagements with stakeholders to best understand their expectations to incorporate into our strategic planning. Adopting integrated reporting to increase transparency on our value creation process.
<b>Ongoing regulatory and policy changes</b>	Growing compliance costs which may have to be passed on to customers and ultimately impact shareholder returns.	Allocating a material proportion of our investment to regulatory compliance and risk prevention initiatives. Engagement with policy makers and communities to advocate for appropriate regulatory reform. Maintaining constructive and proactive relationships with key regulators.
<b>Current and emerging risks</b>	<p>Risk of cyber-attacks on our Bank's systems through hacking, phishing, ransomware, and other means, may result in disruption of our services or leak of bank's confidential and customer information.</p> <p>Climate change is the major emerging risk in the world with a potential disruptive impact on the economy. It poses both physical and transition risks to our business, as the world transitions to a low-carbon economy.</p>	<p>The Bank have a robust data protection and cybersecurity framework in place which comprise of technological infrastructure and personnel with strong expertise in the field.</p> <p>The integration of long-term ESG criteria into business decisions, with the goal of providing more equitable, sustainable, and inclusive benefits to our stakeholders.</p>



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 14. FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS

#### FINANCIAL PERFORMANCE

Those charged with governance are responsible for the vision, mission, and strategic objectives of the Bank and ensure the overall objectives are being supported by business plan, budgets, and marketing plan. The board is also responsible for the review and approval of operational and financial objectives of the Bank, amendments of key performance indicators, financial statements before publication and succession plan of senior management including Managing Director. On Quarterly basis, management presents the Bank performance to the board for their review and guidance. The year 2024 was the second year of implementing the third five-year business strategy of the Bank (2023-2027) whose focus was to expand our outreach using cost effective delivery channels in Burundi.

- The Bank made profit before tax of BIF 46 894 million compared to BIF 33 068 million recorded in 2023 recording 42% growth.
- During the year, the Bank provided for BIF 2 377 million for tax hence recording net profit of BIF 44 516 million compared to BIF 31 494 million recorded in 2023 which is 41% growth.
- Interest income increased from BIF 78 212 million recorded in 2023 to BIF 122 765 million as at 31 December 2024 which is 57% growth.
- Fee and commission income increased from BIF 19 152million recorded in 2023 to BIF 24 877 million as at 31 December 2024 which is 30% growth.
- Staff and administrative expenses increased from BIF 29 942 million recorded in 2023 to BIF 47 940 million as at 31 December 2024 which is 60% growth.

#### Assets

Total assets increased from BIF 1 119 579 million in 2023 to BIF 1 803 963 million in 2024 which is a 61% growth. The Bank closed 2024 with adequate capital, liquidity and risk foundations well placed to meet the opportunities and challenges that lie in 2025 and ahead.

#### Deposits

Total deposits mobilized increased from BIF 611 151 million as at 31 December 2023 to BIF 842 381 million as at 31 December 2024 which is a 38% growth.

#### Lending

The credit portfolio increased from BIF 684 934million as at 31 December 2023 to BIF 911 982 million as at 31 December 2024 which is a 33% growth.

#### Performance in the Banking industry

CRDB Bank continue to remain among the top leading Banks in Burundi in terms of balance sheet size with 20% market share in total assets, 16% market share in deposits.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 14. FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Key performance indicators of the Bank in comparison with the industry average in 2024;

KPI	INDUSTRY AVERAGE	CRDB
Non-performing loans	4.1%	1.2%
ROA	0.3%	3.2%
ROE	17.69%	30.2%
CIR	50.58%	47.3%

#### Key performance indicators (KPIs)

Below are the financial KPIs which are used by those charged with governance to measure performance of the Bank as at 31 December 2024.

KPI	Definition and calculation method	2024	2023
Return on Equity	(Net Profit / Total Equity) * 100%	31.12%	34.49%
Return on Assets	(Profit Before Tax / Average Assets) *100%	3.21%	3.53%
Efficiency Ratio	(Non-Interest Expense/Total Income net of Interest Expense) *100%	47.17%	43.05%
Earnings per share (BIF)	Profit attributable to equity shareholders / Number of Ordinary shares in issue (BIF)	463 448	613 429
Gross loans to customer deposits	(Gross loans to customers/Total deposits from 105.20% 105.5% customers) *100%		
Growth in total asset	(Current year total assets - Previous year total assets)/Previous year total assets) * 100%	61.13%	48.8%
Growth in customer deposits	(Current year Deposits-Previous year deposits)/ Previous year deposits) *100%	37.84%	31.6%
Core Capital ratio	(Core capital/Risk weighted assets including off balance sheet items) *100%	17.8%	21.5%
Total Capital Ratio	(Total capital/Risk weighted assets including off balance sheet items) *100%	18.3%	21.8%

The source of the above KPI computed is based on the numbers of the audited financial statements and no adjustment made.

During the year there were no changes to either KPIs or the computation method that needed to be disclosed in the underlying accounting policies adopted in the financial statements compared to previous financial years. The Bank complied with all the regulatory ratios during the year. The Bank KPI targets for 2024 are disclosed in section 8.

Achievement against budget - In 2024 the Bank achieved remarkable performance and sustained growth amid market dynamics. Our focus was on five strategic key areas namely:

- Protecting the bank financial strength,
- Building resilience business models,
- Workforce optimization,
- Accelerating automation, innovation, and digital adoption
- Prioritizing regulatory and compliance

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 14. FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

Based on the planned activities aligned with the Bank strategy, business environment and assumptions used, management managed to deliver the budgeted numbers as per below with KPIs;

KEY INDICATORS	ACTUAL 2024	TARGET 2024
Profit before Tax	46.8	50.4
Profit after Tax	44.5	42.02
Total Assets in bn	1 803.9	1 694.2
Total Deposits in bn	842.3	997.09
Net Loan & Advances in bn	911.9	1 128.9
Return on asset	3.2%	3.6%
Return on equity	31.1%	30.5%
Cost to income ratio	47.1%	45.3%
Non-Performing loan ratio	1.2%	3.0%

The strategy of the Bank focuses on creating the best experience for the customer, and by doing so builds brand loyalty. The Bank ensure that the customers are at the centre of a business's strategy.

The Bank believe that our clients are the primary reason that we exist, and we use every means at our disposal to keep them satisfied. Before we introduce any product or services, we get feedback or comments from our customers, not all but from few which are representing others because is not easy to reach all of them. Even on the existing products and services, in many instances the improvements/enhancements are done on the response to our customer's needs. Details of stakeholders needs, and interest are disclosed in section 10.

Performance of Non-Financial KPIs;

Description	2023	2024	YoY Growth
<b>Mobile Banking (Simbanking)</b>			
Volume (transactions)	314 075	466 927	48.6%
Number of registered accounts	29 932	40 022	33.7%
<b>Internet Banking</b>			
Volume (transactions)	35 622	58 311	63.7%
Number of registered customers	9 044	16 901	86.8%
<b>Agency Banking</b>			
Volume (transactions)	259 818	1 020 079	292.6%
Number of registered agents	1 530	2 000	30.7%
<b>ATMs</b>			
Volume (transactions)	240 275	246 779	2.7%
Number of registered cards	26 430	41 651	57.6%

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 14. FINANCIAL PERFORMANCE AND FUTURE DEVELOPMENT PLANS (Continued)

#### FUTURE DEVELOPMENT PLANS

In 2025 the Bank will continue the implementation of the 5-years strategy (2023-2027). The Bank will focus on growing and ringfencing the business and put the customer at the centre of what we do by addressing their evolved needs. In addition, we will remain relevant in the business by responding to the market dynamics.

Looking ahead, the Bank shall focus on retaining and growing our market share, while driving the business in the market through strategic partnership and innovative digital solutions. Our customer needs and preferences are continuously evolving and our ability to respond with robust offerings will determine our key success in the market. The Bank shall continue to focus on delivering our customers digital strategy, enabling process optimisation, enhancing customer experience, and ensure ease of use.

The Bank shall continue to strengthen the ICT infrastructure for future growth and transform how we operate and offer services. Our service experience aspiration is to enhance the entire operations value chain through process simplification and automation. Thus, we will prioritize the delivery of critical technology projects as enablers and accelerate process reengineering programs. Most paramount, we are committed to implementing a holistic transformation leading to the bank of the future. This will be achieved through introduction of innovative products to the market, driving efficiency through automation of processes, driving staff productivity, and focusing on value added customer services and selective expansion of business while carefully managing both costs and risks. Adapting new culture will drive performance, productivity, and profitability. Create technological capabilities to transform how we operate and offer services, enhancing cyber maturity posture and data protection. Specifically, our strategic direction will strike the right balance between business growth and compliance.

On Sustainability, the bank ESG priorities are important component of our future growth and shall become a crucial point of investment and capital allocations decision. As countries develop transition plans towards achieving net zero, this shall provide us with opportunities to further partner with our customers in their sustainability journey and Sustainable Development Goals (SDGs) implementation. 2025 Bank aspirations will be to:

- Elevate Governance, risk management and sustainability.
- Transform and align business models to address changing customers and key stakeholders' needs.
- Embed climate risk into risk management.
- Maintain focus on digital transformation and accelerate delivery of digital transformation strategy.
- Leverage on the new and existing competitive advantages to attain market leadership.
- Acquire new and optimize existing partnerships to enhance ability to serve and grow.
- Maintain healthy and quality loan portfolio.
- Accelerate delivery of technology projects to address system challenges.

#### Investment in capital expenditure in 2025

- The Bank will continue to focus on implementation and completion ICT projects aimed at creating a scalable infrastructure for future growth i.e., implementation of core banking system.
- Continue investing in digital transformation.
- Branch network enhancement through construction of branches in strategic locations.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 15. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS

The banking industry is experiencing a fundamental shift, driven by new competition from FinTech, a cultural shift, continuous change in regulations and compliance, and disruptive technologies. The coming out of FinTech/non-bank start-ups is changing the competitive landscape in financial services, driving traditional institutions to rethink on the way to conduct businesses.

#### Increasing Competition

The competition posed by FinTech, which mainly target some of the most profitable areas in financial services is substantial. It is expected that these Fintech and start-ups would divert revenue from traditional banks and financial Institutions. These new industry entrants are forcing many financial institutions to strive for partnerships and/or acquisition opportunities as a measure to survive. For the traditional bank to continue to maintain a competitive advantage, must learn from FinTech, by providing a simplified and intuitive customer experience.

#### Cultural Shift

In the digital world, there is no opportunity for manual processes and procedures. Banks need to think of technology-based solutions to banking industry challenges. As a result, it is important that banks and financial institutions institute a culture of innovation, in which technology is leveraged to optimize existing processes and procedures for maximum efficiency. The cultural shift towards new technologies is reflective acceptance of digital transformation.

#### Regulatory Compliance

Regulatory compliance has become one of the most significant banking industry challenges as a direct result of the growing number of regulations that banks must comply with.

In some cases, banks incur additional cost to stay up to date on the latest regulatory changes to implement the necessary controls. Overcoming regulatory compliance challenges requires banks to foster a culture of compliance within the organization, as well as implement formal compliance structures and systems.

#### Rising Expectations

Customers of today’s world are very smart and more informed than ever before and expect a high degree of personalized services and convenience out of their banking experience as a result, an increased expectation of digitized experiences. Millennials have led the charge to digitization whereby they prefer to interact with brands via social media and found that they make the larger percentage of mobile and internet banking user. As a result of this this trend, banks can expect future generations to be more users of mobile banking rather than visiting physical branches. The challenge for banks is to maintain a hybrid banking model which can serve both the older and younger generations.

#### Continuous Innovation

For banks to sustain in the current world, it requires continuous innovation which helps banks stay competitive and address market demands while improving customer experience. Innovation stems from insight, and insight tend to be discovered through customer interactions and continuous analysis. Banks needs to build advanced analytics capability to maximise the utilisation of the data asset in revenue growth, risk/fraud control and efficiency (financial control and operational cost). The banks should also continuously promote and drive agile culture throughout the organisation to manage speed, scale, and value of the digital transformation.

#### Emerging risks

Climate change is the major emerging risk in the world with a potential disruptive impact on the economy. It poses both physical and transition risks to our business, as the world transitions to a low-carbon economy. The banking industry is currently working on two interconnected objectives. At the same time figuring out the impact of climate change on the strategy and operations, banks are attempting to help customers and societies to navigate this complicated and fast-moving market dynamics too.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 15. MAIN TRENDS AND FACTORS LIKELY TO AFFECT FUTURE DEVELOPMENT PLANS (Continued)

The Bank categorize climate-related risks into two:

- Physical risks, which cover those risks that impact the premises and operations of the bank, its customers, and the wider economy. These includes extreme weather events and long-term shifts in climate leading to the closing of branches or facilities, negatively impacting the creditworthiness of clients, and adversely affecting value asset prices.
- Transition risks: which cover those that impact a bank’s products and services because of the move toward a lower carbon economy. These includes the extent to which bank’s funds or has a stake in entities that emit greenhouse gases (GHGs), evolving stakeholder expectations, and associated legal or regulatory changes.

### 16. OUR RISK MANAGEMENT

The Bank is committed to meeting stakeholders’ expectations in mitigating risks through a robust enterprise-wide risk management framework. The framework aims at ensuring that risks are identified, quantified, managed, and monitored to achieve an optimal-risk reward

profile. Our enterprise risk management framework has well-defined the internal structures, adequate processes, systems, and policies, which monitor and help to mitigate existing and prospective risks or threats of damage, injury, liability, loss, and any other negative occurrence that may arise from external or internal vulnerabilities, and which may be avoided through preventive action.

The Bank’s Risk Management Framework is implemented through a ‘three lines of defence’ model which defines clear responsibilities and accountabilities and ensures effective independent oversight and assurance activities take place covering key decisions.

#### ***Risk Management Principles***

In managing risk, CRDB Bank Burundi S.A considers the value our risk framework creates to ensure it contributes to the bank’s objectives. This is achieved through continuous review of processes and systems. Strategically, we have an integrated risk management and governing structures which form part of our planning processes, at both operational and strategic levels.

All key decision-makers within CRDB Bank Burundi S.A rely on proactive risk management principles to make informed choices, identify priorities, and choose the appropriate action. We address uncertainties by proactively identifying potential risks and implementing controls and treatments to maximize the chance of gain while minimizing the chances of loss.

From experience we know that to effectively manage risk, we must strive to understand and consider all available information relevant to an activity, while being conscious to the fact that there may be limitations on that information.

Our risk management framework guides us on determining how all-available information informs the risk management process, taking into consideration both the internal and external operating environment.

We also appreciate the role of human and cultural factors in risk management. This framework recognizes the contribution that people and culture make in achieving the bank’s business objectives. For this reason, we constantly engage stakeholders, both internally and externally, throughout the risk management process, recognizing that communication and consultation are key to identifying, analysing, and monitoring of risk.

Besides, we acknowledge that managing risk needs flexibility, hence our focus on dynamism. We operate in a challenging environment and this, therefore, requires that we stay alive to need context for managing risk and continuously work to identify new risks that emerge while making allowances for those risks that no longer exist. CRDB Bank aspires to improve its risk management culture by allocating adequate resources, over time to efficiently manage risks and ensure the ability to demonstrate continual achievement.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 16. OUR RISK MANAGEMENT (Continued)

#### ***Bank's attitude toward risk***

We actively take risks, as allowed within our risk appetite and risk tolerance levels. In taking Risks, we exhaustively examine adequacy of the benefit in business terms. Unacceptable risks are risks at a level that exceeds the maximum risk tolerance level, as defined by the Board of Directors, or risks that may impair the growth of the bank and perhaps cripple operations. We take a comprehensive perspective, considering regulatory requirements to maximize the bank's profitability at a risk level in line with our risk appetite.

#### ***Risk Philosophy and appetite***

The Bank considers management of risk as one of its core functions and a key factor for business continuity and providing stable and good return to its shareholders.

Various policies, procedures and tools that spell out the risk appetite commensurate to the risk taken and expected return have been developed and implemented. In this process, the bank strives to match the best practices in risk management and ensure that risks are adequately managed.

#### ***Bank's approach in managing risk.***

The primary responsibility for the management of risk resides with the business and functional areas where the risk is taken. The function owners are responsible for ensuring that the Bank Risk Management Framework has been embedded within the daily risk management processes. In addition, all employees have the responsibility to ensure an effective management of risk and must report appropriately any known breakdowns/omissions in control, or any potential exposures that may result in financial or reputational loss to the bank.

For every product, process or system that is introduced or implemented in the bank, an internal control document is developed and made available to all relevant employees. This document includes the following elements at a minimum; Statement of accountabilities, risk identification and controls in place to mitigate the risks, objectives of the internal controls being proposed and description of the control environment which must be implemented and maintained including monitoring and reporting.

The Bank Management Audit & Risk Committee is established to manage risks and monitor effectiveness of controls implementation. The bank Risk and Compliance function provides an independent oversight and monitoring process for bank risk and controls and reports to the Managing Director.

#### ***Roles and responsibilities of the board of directors in risk management***

The bank board of directors has an ultimate responsibility for Risk Management function across the bank including setting the tone and influence the culture of risk management within the bank. Other responsibilities include:

- Approving the overall business strategies, Bank Risk Management Framework, and its associated policies.
- Ensure adequate implementation of risk management framework by the management.
- Defining the nature, role, responsibility, and authority of the risk management function within the bank including the scope of risk management work
- Monitoring of the bank risk profile through reports from Management to determine the level of risk exposure and whether it is within the Board's risk appetite and take remedial actions in a timely manner.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 16. OUR RISK MANAGEMENT (Continued)

#### ***Responsibility of the senior management in managing risk***

Setting the tone of risk management and influence risk management culture within the bank. More specifically, the bank's executive team is having the following responsibilities:

- Facilitate the review or development of the Bank Risk Management Framework and its related policies and recommend changes to the Board for approval.
- Provides an oversight to the operations covering risk management and strategy formulation and execution.
- Implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations on both long term and day-to-day basis.
- Ensure appropriate policies, controls and risk monitoring systems are in place and that accountability and lines of authority are clearly defined.
- Establishing and communicating strong awareness of and the need for effective internal risk management culture.

#### ***Uncertainties in operating environment***

In the environment we operate there are unforeseen circumstances which the bank cannot predict in certain. Uncertainty implies the outlook for the economy is unpredictable and there is a high likelihood of negative economic events, however in case of uncertainties the bank has in place a robust risk management process where risk management tools have been deployed to ensure proactive measures are achieved at largest extent.

The Bank continues to monitor the economic environment and execute measures to protect the business by reinventing processes and systems to ensure that we adapt to the ongoing changes of economic environment and at the same time protect our customers by offering an enhanced value proposition and having in place contingencies in our business strategy.

We strongly believe that preventing risks enhances shareholder value because it allows us to manage risks proactively and intelligently, which maximizes the bank's potential for earnings, ensures stability and takes measures to protect the business against unexpected losses. Primarily, our risk management processes aim at protecting the bank's solvency through preservation of high asset quality, efficient operations and prudent capital management resulting in sustained earnings that augment core capital, enabling regulatory compliance, enhancing market reputation and stakeholder support.

### 17. CAPITAL STRUCTURE AND FUNDING MIX

The Bank's issued and fully paid-up ordinary shares is BIF 48 027 million (2023: BIF 25 670.5 million). The capital growth is from the 2023 dividends that were converted to capital. There were no changes on capital structure as compared to the previous financial year. Details of share capital are disclosed under Note 49 in the notes to the financial statements.

The Bank continue to remain strong in term of financial position, well capitalized and closed the year with hard core capital ratio of 14.4%, core capital ratio of 17.8% and total capital ratio of 18.3% both above the regulatory requirement of 11%, 12.5% and 14.5% respectively.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 17. CAPITAL STRUCTURE AND FUNDING MIX (Continued)

#### Funding mix

The Bank’s primary source of funding during the year was deposits from customers (Demand deposits, Savings deposits, and Time/ fixed deposits) which commands 54% of the total funding, borrowings 36% and equity 10%. There was no major change in the funding mix in 2024 compared to the year 2023. The Current/ Savings deposits (CASAs) represented 90% of total customer deposits in 2024 (2023:94%).

This interprets that the Bank managed to maintain a lower cost of funds. During the year, the bank increases the borrowing to align with bank’s growing customer credit demands, liquidity, and maturity mismatch.

The balance between debt and equity was as follows:

#### Debt

In BIF' Million	2024	2023
Customer deposits	842 381	611 151
Borrowings - Current	178 819	231 011
Borrowings - Non-current	387 924	53 488
	<b>1 409 124</b>	<b>895 650</b>
Equity		
Issued capital	48 027	25 671
Retained earnings	51 346	33 433
Other reserves	43 691	32 207
	<b>143 064</b>	<b>91 311</b>

The balance between equity and debt, the maturity profile of debt, type of capital instruments used, currency, regulatory capital and interest rate structure are under Treasury department and are being monitored by ALCO committee which meet monthly.

The maturity profile of bank’s financial assets and the undiscounted cash flows of its financial liabilities is disclosed in note 9.5.1 of the financial statements.

Treasury department is also in charge of short and longer- term funding plans to support the strategies of those charged with governance to achieve the bank’s objectives. As per funding mix there are short and long-term borrowing likewise for deposits, there are time deposit with longer term to match the maturity profile of bank’s financial assets.

### 18. TREASURY OBJECTIVES AND POLICIES

Treasury conducts its activities within a comprehensive framework provided by the Board’s approved financial and treasury policies. These policies are reviewed and approved by the Board on an annual basis. Treasury is guided by the principles of professionalism, transparency, accountability, and profit maximization objective within conservative set of risk parameters.

The overall responsibility for the management of market risks (liquidity risk, Interest rate risk) rests on the Board of Directors, through its Board Risk Committee. At management level, Asset Liability Management Committee (ALCO) and Management Audit and Risk Committee are responsible for the management of Market Risks. Treasury being the main player in the market risk space; is performing her roles and functions under the oversight of the Assets Liabilities Committee (ALCO) which seats monthly.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 18. TREASURY OBJECTIVES AND POLICIES (Continued)

Treasury policies and objectives are structured in a way to achieve strategic management of bank's statement of financial position with the focus of realizing optimal returns while minimizing risk exposure and related funding costs.

Within this framework, Treasury applies the best available market knowledge and techniques to achieve the bank's strategic objectives.

#### The key treasury policies are:

##### Market Risk Policy

The policy provides guidance/ framework for managing exchange rate and interest risks, also protect the value of the bank assets from adverse effects of market rate movements.

##### Liquidity Policy

The policy provides guidance on management of liquidity risk under normal and crisis situations. The policy sets out a liquidity management decision-making structure in the Bank, approaches to funding and liquidity operations, limits to liquidity risk exposures, procedures and systems for liquidity planning and management, regulatory compliance, reporting, control, and contingency funding planning.

The bank places a strong emphasis on managing liquidity risk and daily cash flows, which is handled by the Treasury Department through Asset Liability Committee (ALCO) to ensure the bank holds sufficient liquid assets to enable it to continue with its normal operations. Asset Liability Committee (ALCO) also manages the Bank's exposure to liquidity risk by ensuring that limits are in line with realistic assumptions and tracking compliance monthly.

The bank closed the year with regulatory short-term liquidity ratio of 336%, which is above requirement of 100%.

The bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The bank also has lines of credit with the parent that it can access to meet liquidity needs. Net liquid assets consist of cash, short-term bank deposits and liquid debt securities available for immediate sale, less deposit for banks and other issued securities and borrowings due to mature within the next month. The bank does not foresee problems on the liquidity in the next 12 months which can affect the business operations.

##### Contingency Funding Policy

The policy provides guidance for managing stressed liquidity situation created by a problem or market wider crisis and ensure that the Bank is able all the time to meet its matured obligations as they fall due and remain as good as going concern.

##### Limit Policy

The policy provides guidance/framework for managing market and liquidity risks for the counterparts at domestic and international level. It also provides guidance for investment and credit exposures limits.

##### Asset Liability Management (ALM) and Investment Policy

The policy highlights a set of actions and procedures designed to manage the Bank's financial risks to ensure competitive return on assets by putting in place specific predefined risk management policies. It covers strategic management of the Bank's statement of financial position and off-balance sheet items intending to achieve sustained growth, profitability, and solvency. It involves a multiplicity of management activities and responsibilities, including the formulation of short and long-term strategic goals, objectives, and the management of financial risks.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 19. CASHFLOWS

The Bank’s major sources of cash flow were from operating activities, which was attributable to increase in customer deposits by BIF 231.2 billion (2023: increase of BIF 146.8 billion) and from borrowing BIF 282.2 billion (2023: increase of BIF 75 billion). The funds generated in 2023 were mainly utilised to increase lending to customers by BIF 231 billion (2023: increase of BIF 377 billion) and government securities BIF 112.9 billion (2023: decrease of BIF 35.8 billion). Such investment activities and customer deposits are the major factors explaining the Bank’s movement in cash flow generated from operations. The Bank’s cash projections indicate that future cash flows will mostly be generated from deposits. The Bank continues to implement different strategies to mobilise deposits and maintain sound liquidity position to meet its cash flow commitments.

### 20. BORROWING

The Bank has been working closely with the parent to support the market on key sectors of the economy. As of 31 December 2024, the bank had an outstanding exposure of USD 194 which includes debts from the CRDB Bank Plc, CRDB Bank Congo and IFC for financing various business segments in the economy. The bank has contributed greatly to the economy through knowledge sharing, technical assistance, and job creation.

### 21. SHAREHOLDERS OF THE BANK

The total number of shareholders as of 31 December 2024 were three (31 December 2023: three shareholders). The shares of the Bank were held as follows:

Shareholders	Designation	2024 (Shares)	2023 (Shares)
CRDB Bank Plc	N/A	96 052	51 339
Mr. Abdulmajid Mussa Nsekela	Group CEO & Managing Director (CRDB Bank PLC)	1	1
Mr. Frederick Bayona Nshekanabo	CFO (CRDB Bank PLC)	1	1
<b>Total</b>		<b>96 054</b>	<b>51 341</b>

#### Directors Shareholding

As of 31 December 2024, those charged with governance did not hold any share.

### 22. CORPORATE GOVERNANCE

The Bank is committed to healthy corporate governance practices, which strengthens and maintains confidence in the Bank, thereby contributing to optimal long-term value creation for shareholders and other stakeholders. The board recognizes its collective responsibility for the long-term success of the bank. Board has a commitment to ensure compliance with all applicable laws and regulations and considers adherence with non-binding rules, codes, and standards; and that compliance is an agenda in all its meeting through board risk committee.

#### Board Structure

The Board of directors is primarily responsible for monitoring managerial performance and providing strategic and leadership guidance to the management on strategic areas within an established framework of controls designed to assess and manage risk to ensure long-term-sustainability of the bank. The Board has an ultimate accountability for the performance and position of the bank and ensuring the bank adheres to high standards of ethical behaviour.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Board Structure (Continued)

Therefore, the board sets up specialised committees to carry out specific duties and responsibilities with a view to support and improves its work. Committees perform both monitoring and advisory functions for the board, knowing that the latter retains collective responsibility for decision-making. Each committee comprises aptly skilled directors with written terms of reference that are reviewed annually and mapped to applicable regulations and governance practices to ensure relevance and compliance.

The key functions of each Board committee are outlined on pages 43 to 46. The Board monitors these responsibilities to ensure effective coverage of, and control over, the operations of the Bank. Each committee Chair provides written and verbal feedback at quarterly Board meetings.

#### Roles of the board

The board is the ultimate decision-making body and its key role is to provide strategic leadership and guidance to the Bank and effective oversight of risk management. The board is accountable to the shareholders for the performance of the Bank's businesses.

The specific roles and responsibilities of the board include but not limited to the following:

- To prepare financial statements of the Bank which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions which covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it covers all those charged with governance who acted in this capacity during any part of the period covered by financial statements.
- Determine the Bank's vision, mission and values that promote sustainability of the Bank.
- Appointing the Managing Director, Deputy Managing Director and senior management team to whom the responsibility of managing the Bank is being delegated. The Board review and evaluate the performance of the bank's Executives regularly including reviewing and defining succession planning.
- Approving corporate strategy and monitoring the implementation of strategic plans. The Board has meaningful input into the bank's long-term strategy from development through execution. The Board approve the bank's strategic plans and regularly evaluate implementation of the plans that are designed to create long-term value. The Board is required to understand the risks inherent in the bank's strategic plans and how those risks are being managed.
- Establishing adequate policies and procedures that ensure the integrity and effective internal controls and adequate risk management practices across the bank.
- Setting the bank's risk appetite, reviewing, and understanding the major risks, and overseeing the risk management processes and internal control systems. The Board oversees the process of identifying and managing the significant risks facing the bank and establish a structure for overseeing risk, delegating responsibility to committees, and overseeing the designation of the Head of risk and compliance responsible for risk management.
- Reviewing the bank's plans for business resiliency. As part of its risk oversight function, the Board periodically reviews management's plans to address business resiliency, including such items as business continuity, physical security, cybersecurity, and crisis management.
- Ensure the Bank is adequately capitalized.
- Approving significant capital expenditures and changes in capital structure of the Bank, acquisitions and dispositions or various strategic investments.
- During the year, the Board performed their roles and responsibilities as evidenced by a remarkable performance of the Bank. All members of the Board were collectively responsible and complied with the good corporate governance in line with the Board Charter.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Value Creation Through Good Corporate Governance

The bank practices good corporate governance through well-defined governance structures which are vital to support our ability to create and preserve value. Our approach to good corporate governance enhances the achievement of our strategic objectives over time and bring together the interests of all our stakeholders in creating sustainable value. Furthermore, Our Board is committed to continue to improve corporate governance principles, policies, and practices by remaining upenzi to date of the changes in regulations and best practices.

Our corporate governance approach ensures the bank;

- Adheres to applicable legal, regulatory and practice of good corporate governance.
- Deliver sustainable impact to our stakeholders while caring for our community, contribute to our economy and the environment through our business activities.
- Embeds an ethical and risk-awareness culture.
- Promotes transparency, accountability, and empathy in managing our stakeholder relationships.

#### Board Meetings

The Board has in place an annual work plan that sets out the board’s activities in a year. The Board meets at least five times a year, and, when necessary, to consider all matters relating to the overall risk management, bank performance, implementation of the strategy and succession planning. The Board Chairman together with the Board Secretary (Managing Director) prepare the annual work plan and agenda for each meeting. The notice, agenda and detailed board papers are circulated prior to the meetings. Those charged with governance are allowed to request additional information to support their decision making when necessary.

During the year, the Board held six meetings as planned, and the meetings had several discussions regarding the operations of the Bank. Below are some of the matters discussed during the meetings.

The Board had a discussion on the quarterly performance of all KPIs of the bank as presented by the management and directed management accordingly on expected performance of the bank.

- The Board discussed and approved the bank’s 2025 budget and strategy as presented by the management by adding inputs and enlightening management on its expectations on the implementation of the strategy and budget.
- During the meetings, the Board also discussed the reports received from all board committees and deliberated accordingly.

The Board elect a chairperson who is a non-executive director. The elected chairperson is not supposed to be a member of any committee. The chairperson may be invited to attend any of the committees’ meetings when deemed fit excluding Audit Committee.

The Bank has a Board Charter which sets out the key values and principles of the Board of Directors of the Bank. It provides the specific responsibilities of the Board and how it shall operate within applicable legal and regulatory framework; and clearly specifies the powers of the Board and its Committees, separation of roles between the Board and Management; and the practice of the Board in respect of corporate governance matters.

The Board Charter is subject to the requirements contained in the Bank’s Articles Association, Central Bank Circulars, Company Laws and other applicable laws and regulatory provisions.

The Charter is being reviewed annually or on need basis to ensure it remains adequate and consistent with the Board’s purpose. Changes are subject to approval by the Board of Directors.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Those Charged with Governance

The Board is confident that it consists of sufficient members with the right mix of skills, experiences and knowledge to challenge and help develop proposals on strategy and bring independent judgement on issues of performance and risk. It consists independent non-executive directors who provides independent opinion on various matters pertaining to the Board.

The roles of the Chairman, a non-executive role, and the Managing Director are separate. The Chairman is responsible for the leadership and management of the Board and for ensuring that the Board and its Committee’s function effectively.

The Managing Director bears overall responsibility for the implementation of the strategy agreed by the Board, the operational management of the Company and the business enterprises with the support from Senior Management team.

The Senior Management team is encouraged and invited to attend Board meetings to facilitate effective communication and assist the Board with its deliberations and provide critical insights and analysis of various business units within the Bank.

#### Composition of Those Charged with Governance.

As at 31 December 2024, the Board was composed of seven Directors. Five Directors are independent non- executive members, one is a non- executive member and one an executive member and Secretary to the Board. During the year, those charged with governance “the Board” who served the bank were.

Name	Gender	Position	Age	Discipline	Nationality	Appointment Year
Mr. Hosea Kashimba	M	Chairman	54	Accountant	Tanzanian	2019
Dr. Oda Sindayizeruka	F	Vice Chairperson	62	Economist	Burundian	2018
Mrs. Kahumbya Bashige	F	Member	49	Banker	Tanzanian	2018
Mr. Salvator Minani	M	Member	42	Lawyer	Burundian	2022
Dr. Elizabeth Mkoba	F	Member	52	IT	Tanzanian	2022
Mr. Boma Raballa	M	Member	42	Banker	Tanzanian	2023
Mr. Didace Ngendakumana	M	Member	47	Economist	Burundian	2023
Mr. Fredrick Siwale	M	Secretary	48	Banker	Tanzanian	2021

#### Board Secretary

As per BRB’s Circular No 21 of 2018, the Managing Director is being appointed by the Board as a Board Secretary to assist and advice the Board. The Board Secretary’s specific roles and responsibilities include but not limited to the following.

- Playing a leading role in good governance by helping the Board and its Committees function effectively and in accordance with their terms of reference and best practice. Providing support goes beyond scheduling meetings to proactively manage the agenda and ensuring the presentation of high-quality up-to-date information in advance of meetings.
- Assist the Chairman of the Board in organizing the Boards activities.
- Maintain and update the register of conflict of interest.
- Facilitate Board and Shareholders meetings.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Board Secretary (Continued)

- Custodian of all Board's official records including board packs, minutes, and bank's Articles of Association.
- Facilitate effective communication between the bank and shareholders.

The Board Secretary during the year was Mr. Fredrick L. Siwale assisted by the Assistant Board Secretary, Ms. Neema C. Riwa.

#### Conflict of Interest and Related Party Transactions

The Board has established a policy and a set of procedures relating to Directors' conflicts of interest and related party transactions. In all Board meetings, there is an agenda of declaration of conflict of interest, and there is a conflict of interest register which is being reviewed regularly.

Those charged with governance are expected to avoid any action, position or interest that conflicts with the interest of the Bank or gives the appearance of a potential conflict. In this regard, all directors are required to:

- Declare any interests that may give rise to potential or perceived conflict e.g., multiple directorships, business relationships or other circumstances that could interfere with exercise of objective judgment.
- Declare as soon as they become aware that a subject to be discussed at the board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted director is not allowed to participate further in the discussion of that subject, nor vote on it.
- Director(s) with a continuing material conflict of interest is required to consider resigning from board.
- Board members are required to inform the Board Secretary of any changes with respect to directorships and conflict of interest within 30 days. The board is required to evaluate all potential or perceived conflict of interest as declared and approve such transactions with the bank as may be appropriate. A register of declared Conflicts of Interest is being maintained by the Board Secretary.

*During the year, none of the Directors had a material interest, directly or indirectly, in any contract of significance with the Bank.*

#### Separation of roles and responsibilities

While the Chairman and Managing Director are collectively responsible for the leadership of the bank and for promoting the highest standards of integrity and probity, there is a clear and effective division of accountability and responsibility between the two, and each plays a distinctive role but complementing each other to ensure that there is a balance of power and authority, and no individual has unfettered powers of decision and control.

#### Key roles and responsibilities of Chairman of the Board.

- Provides leadership and governance of the Board to create the conditions for overall Board and individual Director's effectiveness and ensures that all key and appropriate issues are discussed by the board in a timely manner.
- Promotes effective relationships and open communication and creates an environment that allows constructive debates and challenges, both inside and outside the boardroom, between Non-executive Directors and the management.
- Ensures that the Board plays a full and constructive part in the development and determination of the bank's strategies and policies, and that board decisions taken are in the bank's best interests and fairly reflect Board's consensus.
- Ensures that the strategies and policies agreed by the board are effectively implemented by the Managing Director and the management.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Separation of roles and responsibilities (Continued)

Establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity, and corporate governance throughout the bank and particularly at board level. It is the responsibility of chairman to adhere to the code of corporate governance/ board charter.

#### Key roles and responsibilities of Managing Director

- Leads the management in the day-to-day running of the bank's business in accordance with the business plans and within the budgets approved by the Board.
- Leads the management to ensure effective working relationships with the Chairman and the board by meeting or communicating with the Chairman on a regular basis to review key developments, issues, opportunities, and concerns.
- Proposes the bank's strategies and policies for the board consideration.
- Implements, with the support of the management, the strategies and policies as approved by the board and its committees in pursuit of the bank's objectives.
- Conducts the affairs of the bank in accordance with the practices and procedures adopted by the board and promotes the highest standards of integrity, probity, and corporate governance within the bank.

#### Board Independence

Directors' independence is critical to effective corporate governance and providing objective independent judgment that represents the interests of all shareholders is at the core of the board's oversight function. Accordingly, a substantial majority of the board's directors should be independent, according to applicable rules and regulations and as determined by the board. An independent director should not have any relationships that may impair, or appear to impair, the director's ability to exercise independent judgment.

#### *Assessing independence.*

When evaluating a director's independence, the board consider all relevant facts and circumstances, focusing on whether the director has any relationships, either direct or indirect, with the company, senior management or other directors that could affect actual or perceived independence. This includes relationships with other companies that have significant business relationships with the company or with not-for-profit organizations that receive substantial support from the company.

#### Restrictions on insider trading

It is the bank's policy that directors and employees are considered to have privileged knowledge, from time to time, of material facts or changes in the affairs of the bank, which have not been disclosed to the public, including any information likely to affect the state of affairs of the bank that may affect the Group, except in accordance to the requirements of the Group policy.

CRDB Insiders are prohibited from trading Group securities either on their own behalf or on behalf of someone else when the trading window is closed. Insiders are required to keep any unpublished and non-public sensitive information received by them whether in the ordinary course of their employment or office or otherwise, confidential and with sufficient protection from unauthorized disclosure or access.

#### Appointments of the Members of the Board

Appointments to the Board are made on merit, and candidates are considered against objective criteria, having due regard to the benefits of the diversity of the Board. A rigorous selection process is followed in relation to the appointment of Directors and certain specified senior appointments.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Appointments of the Members of the Board (Continued)

Board Members are appointed by the shareholders for an initial five-year term, renewable once. The Board consist of both Non-Executive Director (NED) and Independent Non-Executive Directors (INEDs). The Board recommends Directors for election and/or appointment to the shareholders at the Annual General Assembly (AGA). The number of Board members is determined by the Bank's Articles of association and regulatory requirements. A Board member elected/appointed by shareholders is not allowed to attend Board meetings or be assigned any responsibility until he/she obtains approval of the Central Bank.

#### Training and Development of the Members of the Board

Each new Board member is required to participate in an induction program that is tailored to effectively orient the member to the bank's business and organization structure including the whole Group, roles/responsibilities of the Board and its various committees, strategy, objectives, policies, procedures, operations, senior management, and the business environment. The induction package also includes all the necessary information that is required by a member for effective performance in the board (including all policies, charters, recent financial reports and governing laws and regulations). They receive comprehensive guidance from the Board Secretary on corporate governance framework.

Board members are also being introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the business. Therefore, the main purpose of the training is to ensure board members have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the Bank.

They are required to ensure adequate training and development of the members through continuous training to keep them well informed on critical information pertinent to the business and corporate governance environment. It is the responsibility of the Board to conduct an annual review to identify training needs for each member on a regular basis and facilitate up skilling as well as continuous development of each member.

Non-executive directors also develop and refresh their skills and knowledge through periodic interactions and briefings with senior management of the bank and group's businesses functions, where they get updates on changes in laws and regulations, policies, and practices. All Non-executive directors have access to independent professional advice/ external specialists to enable them to discharge their duties when the expertise needed is not possessed by existing directors or staff within the bank and the Group.

During the year, Board Members were given exposure on Modern Corporate governance in Banking Industry, Environmental, Social and Governance (ESG) and Artificial Intelligence Governance and Ethics through a study tour in Bangkok Thailand.

#### Board relationships/ engagement with shareholders/ Stakeholders

Regular shareholder outreach and ongoing dialogue are critical to developing and maintaining effective investor relations, understanding the views of shareholders, and helping shareholders understand the plans and views of the Board and Management. The

Board maintains regular dialogue with shareholders and considers it very important to inform them about the Bank's financial performance. The Bank strives to continuously publish all relevant information to the market in a timely, effective, and non-discriminatory manner.

#### Board Committees

An effective committee structure permits the board to address key areas in more depth than may be possible at the full board level. Decisions about committee membership and chairs are made by the full board. The responsibilities of each committee and the qualifications required for committee membership is clearly defined in a written charter that is approved by the board. Each committee is required to review its charter annually and recommend changes to the board. All committees are required to update the full board of their activities on a regular basis. The report to include findings,

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Board Committees (Continued)

matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.

The Bank is committed to maintaining a high standard of corporate governance. The directors also recognize the importance of integrity, transparency, and accountability. During the year 2024, the board constituted two sub-committees for improving corporate governance by delegating specific tasks from the main board to a smaller group and harnessing the contribution of the directors. Committee Chair and members are appointed annually from among the board members.

The board remains collectively responsible for the decisions of any committee and are required to review the effectiveness and performance of committees annually.

#### These sub-committees are;

- **Audit Committee**
- **Risk Committee**

Table below shows the number of board and Committee meetings held during the year and the attendance by those charged with governance.

No	Director	Position	Board Meetings	Board Committee	Audit Committee	Risk Committee
1	Mr. Hosea Kashimba	Chairman	6/6			
2	Mrs. Kahumbya Bashige	Member	6/6	5/5		
4	Dr. Oda Sindayizeruka	Member	6/6		4/4	
5	Mr. Salvator Minani	Member	6/6	5/5	4/4	
6	Dr. Elizabeth Mkoba	Member	6/6	5/5	4/4	
7	Mr. Boma Raballa	Member	6/6		4/4	
8	Mr. Didace Ngendakumana	Member	6/6	5/5	4/4	
9	Mr. Fredrick Siwale	Secretary	6/6	5/5	4/4	

#### Audit Committee

The committee oversees the bank's internal audit function and ensures that the internal audit function has adequate resources and support to carry out its role. The committee reviews the scope of the internal/external audit plan, significant findings by the internal/external audit and management's response, and the appointment and replacement of the Director of Internal Audit and assesses the performance and effectiveness of the internal audit function annually.

The Audit Committee is also responsible for overseeing the financial reporting process, ensuring that internal control systems are adequate and effective, disclosures are complete and accurate and in accordance with International Financial Reporting Standards (IFRS) and applicable laws, rules, and regulations. The Board Audit Committee reviews significant accounting and financial reporting controls of the Bank. In line with the above responsibility, the committee acts as a bridge between the statutory auditors and the management.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Audit Committee (Continued)

The committee planned and met five (5) times during the year. Audit Committee is comprised of the following members.

Name	Position	Qualifications/ Discipline	Nationality	Meetings Attended
Mrs. Kahumbya Bashige	Chairperson	Banker	Tanzanian	5
Dr. Elizabeth Mkoba	Member	IT	Tanzanian	5
Mr. Salvator Minani	Member	Lawyer	Burundian	5
Mr. Didace Ngendakumana	Member	Economist	Burundian	5

To ensure effective independence in discharging its duties, chairperson of the committee do not serve in any other committee, the committee has a charter that describes its oversight function and all members served in this committee during the year are non-executives and independent directors with no financial interest in the entity or significant relationships with major shareholders, management, suppliers, or customers.

The committee members are finance and business professionals. Mrs. Kahumbya Bashige is a holder of Bachelor of Commerce in Accounting, Master of Science in Finance and is a Chartered Director from IOD UK and council member of IOD UK, Dr. Elizabeth Mkoba is a Doctor of Philosophy (PhD) in Information Technology Management, she also holds a Bachelor of Science in Computer Science, Master in Business Administration and Master in Computer Science, Mr. Salvator Minani holds a Master in Human Rights and Conflict Resolution and Bachelor in Law, Mr. Didace Ngendakumana holds a Bachelor in Economics and Master in Business Administration.

In the five meetings conducted during the year, the committee apart from other things, discussed the following.

- The semi-annual financial reports for publication which were presented by the management and requested the board audit committee to deliberate and approve the reports which are audited by the statutory auditor.
- Discussed quarterly internal audit reports for various departments and branch operations on selected branches which was presented by the Department of Internal audit. The reports were discussed by the members of the board audit committee and adopted by the Board.

Emphasis was pressed on the internal controls, to make sure that strong internal controls are in place and are being reviewed regularly.

- Discussed Statutory auditors Audit report and audited financial statements for the year ended 31 December 2023 presented by the statutory auditors and directed the statutory auditors and the management accordingly.
- Discussed quarterly financial performance of the bank and guided the Management on areas of improvements.

#### Risk Committee

The committee oversees and advises on current and potential risk exposures of the Bank; the Bank's Risk Management Framework; the future risk strategy of the Bank, including strategy for capital and liquidity management and promoting a risk awareness culture in the Bank, alongside established policies, and procedures.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Risk Committee (Continued)

The committee planned and met four (4) times during the year. Risk Committee is comprised of the following members:

Name	Position	Qualifications/ Discipline	Nationality	Meetings Attended
Mr. Boma Raballa	Chairman	Banker	Tanzanian	4
Dr. Oda Sindayizeruka	Member	Economist	Burundian	4
Mr. Salvator Minani	Member	Lawyer	Burundian	4
Dr. Elizabeth Mkoba	Member	IT	Tanzanian	4

Mr. Boma Raballa holds a Master in Business Administration, Corporate Management and Bachelor in Business Administration, Dr. Oda Sindayizeruka is a Doctor of Philosophy (PhD) in Economics, Dr. Elizabeth Mkoba is a Doctor of Philosophy (PhD) in Information Technology Management, she also holds a Bachelor of Science in Computer Science, Master in Business Administration and Master in Computer Science, Mr. Salvator Minani holds a Master in Human Rights and Conflict Resolution and Bachelor in Law,

The board risk committee met four (4) times during the year, and in the four meetings apart from other issues of the bank, the main discussion centered on the risk assessment and management and compliance issues to avoid fines and penalties which can result from non-compliance with the internal controls and regulations.

The main responsibility of the board risk committee is bank's risk oversight and is required to provide the full board regularly with the information it needs to understand all the bank's major risks, their relationship to the bank's strategy and how these risks are being addressed.

The same was discussed in each of the four meetings together with bank's compliance issues including the bank's code of conduct, reporting compliance and compliance of all internal limits set by the board.

The Committee also reviews adequacy and effectiveness of balance sheet management and its related risks through Asset Liability Management Committee (ALCO) reports presented by Management to the Committee every quarter.

The bank has been tasked by the board risk committee to conduct risk assessment every year and present to board, maintain a risk profile of each department and consolidated risk profile for the bank which is being reviewed by the board regularly. During the year, the bank conducted the risk assessment, risk register updated and presented to the board risk committee and thereafter to the main board and deliberated accordingly.

#### Board and committees' evaluation

The board have effective mechanism for evaluating its performance on a continuing basis. The evaluation is based on the assessment of the effectiveness of the full board, the operations of board committees, contributions of individual directors on an annual basis.

The results of these evaluations are being reported to the full board, and thereafter a follow-up on issues and concerns that emerge from the evaluations.

The board periodically consider a combination of methods to result in a meaningful assessment of the board and its committees. Common methods include the use of written questionnaires. After evaluation, the Board discuss the results of the evaluation exercise which inform the board on the training needs for its members.

After every three years, board evaluation and assessment will be done by an external party/consultant to ensure the Bank and the board continues operate consistently within good governance and best



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Board and committees' evaluation (Continued)

practice principles. During the year, evaluation of the board, its committees and the individual directors was performed internally using questionnaires, results discussed, and training needs of the members was identified which will be implemented in year 2025.

#### Code of conduct and Ethical behaviour

The board has adopted a code of conduct for all directors and employees including Managing Director that addresses, among other things, conflict of interest which is being reviewed and updated regularly. The code of conduct is shared to all employees and directors and are required to confirm in writings that they have complied with the code of conduct.

Board members are expected to observe the highest standard of ethical behaviour which supports and encourages policies that require Directors and all employees to observe high standard of integrity and display honesty in their dealings.

We are committed to high standards of ethical behaviour and operate a zero-tolerance approach to bribery and corruption, which we consider unethical and contrary to good corporate governance. It is the utmost responsibility of all staff within the Bank to comply with the Bank's Code of Conduct.

#### Whistle blowing policy

The Bank has strong whistle blowing policies and procedures with the main objective to promote a framework within the Bank where staff are encouraged and feel confident to reveal and report any fraudulent, immoral, unethical, or malicious activity or conduct of fellow employees, management, those charged with governance, clients, consultants,

vendors, contractors, and/or any other parties with business relationship with the bank which in their opinion may cause financial or reputational loss to the bank.

The policy is essential for maintaining a positive compliance culture in which employees adhere to all internal bank policies and respect all applicable laws and regulations in the country. The Bank is committed to maintaining the highest possible standards of ethical and legal conduct within all its projects, programs, and businesses. In line with this commitment and to enhance good governance and transparency, this policy provides an avenue for raising concerns related to fraud, corruption, or any other misconduct and to assure that persons who disclose information relating to these misconducts will be protected from any retaliation.

The policy sets out the mechanism for employees and/or non-employees to report any concerns or suspicions regarding possible violations of laws, rules or regulations or possible violations or suspected wrongdoing of internal Bank policies, standards, or procedures.

Staff are periodically trained as part of induction and ongoing development which encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices. The whistle blower section also found in the website of the bank where customers and other stakeholder are advised to whistle blow on the misconducts through these channels. The whistle blower has options of whether to reveal the identity or remain anonymous.

#### Risk Management and Internal Control

The board ensures that the Bank has sound risk management and an internal control system that is appropriate to its activities. The risk management and internal control systems are based on the Bank's corporate values, ethics guidelines and principles for sustainability and corporate social responsibility ("CSR"). It is the responsibility of the Management to ensure that adequate internal control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

- Operational effectiveness and efficiency.
- Safeguarding of the bank's assets and business continuity.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Risk Management and Internal Control (Continued)

- Reliability of accounting records and Compliance with applicable laws and regulations
- Responsible behaviours towards all stakeholders

To ensure the internal controls, remain adequate, the Bank has a fully-fledged Risk and Compliance function that coordinates and oversees the implementation of enterprise-wide risk management framework within the bank. During the year, internal control systems were assessed by the board and was found to be at an acceptable level.

#### IT governance

IT governance is part of the overall corporate governance of the bank which aimed at improving the overall management and implementation of IT structure to derive value from investment in information technology. As a subsidiary of CRDB Bank PLC, the bank has adopted IT governance policies from the group since most of systems and IT infrastructure used in the bank are coherently used across the group. The policies enable the bank to manage IT risks effectively and ensure that the activities associated with information and technology are aligned with the overall bank's business objectives.

#### Directors' Remuneration

##### Remuneration policy

The Group has in place remuneration policy to determine the remuneration of directors, which considers the demands, complexities, and performance of the Group. The bank abides to this policy. Management periodically prepares a proposal for fees and other emoluments to be paid to directors. Proposals include benchmark against similar companies or the industry, market realities, the need to attract and retain skilled, experienced directors to drive the business. The same is forwarded to the Annual General Meeting (AGM) for final approval. The policy is being reviewed annually.

Remuneration of all directors is subject to annual review to ensure that levels of emoluments and compensation are appropriate and adequate in comparison with the industry benchmark. The non-executive directors are not eligible for pension scheme membership and are not part of bank's remuneration scheme.

Information on aggregate amounts of the emoluments and fees paid during the year to directors in comparison to the previous year is BIF 616 million (2023: BIF 458 million).

#### Managing Director & Management

The Bank's executive office consists of the Managing Director who is the Chief Executive Officer Mr. Fredrick Siwale and is assisted by the Deputy Managing Director, Mr. Médiateur Muhire and Directors of departments.

The key management personnel who served during the year, and to date of this report, were as follows:

No	NAME	DEPARTMENT
1	Mr. Paul Mlay	Director of Finance and Administration
2	Mr. Deusdedit Mchomba	Director of Credit
3	Mr. Arnaud Rugema	Director of Corporate Banking
4	Mr. Prosper Nyenimpundu	Director of Risk and Compliance
5	Mrs. Bella Niyuhire	Director of Internal Audit
6	Mr. Icare Gafurero	Director of Banking Operations
7	Mr. Ernest Ngendakumana	Director of Treasury and Capital Markets
8	Mrs. Ines Mucowintore	Director of Human Resources
9	Mr. René-Espoir Ndayikeje	Director of Retail Banking
10	Mr. Gadi Pori	Director of Information Communication and Technology



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### Managing Director & Management (Continued)

The MD and Management, under the MD's direction, are responsible for the development of the bank's long-term strategic plans and the effective execution of the bank's business in accordance with those strategic plans. As part of this responsibility, management is charged with the following duties:

- **Business operations** -The MD and management run the bank's business under the board's oversight, with a view toward building long-term value.
- **Strategic planning** -The MD and senior management generally take the lead in articulating a vision for the bank's future and in developing strategic plans designed to create long-term value for the bank, with meaningful input from the board Management implements the plans following board approval, regularly reviews progress against strategic plans with the board, and recommends and carries out changes to the plans as necessary.
- **Identifying, evaluating, and managing risks** - Management identifies, evaluates, and manages the risks that the bank undertakes in implementing its strategic plans and conducting its business. Management also evaluates whether these risks, and related risk management efforts, are consistent with the bank's risk appetite. Senior management keeps the board and relevant committees informed about the bank's significant risks and its risk management processes.
- **Accurate and transparent financial reporting and disclosures** - Management is responsible for the integrity of the bank's financial reporting system and the accurate and timely preparation of the bank's financial statements and related disclosures. It is management's responsibility under the direction of the MD and bank's Head of Finance and Administration to establish, maintain and periodically evaluate the bank's internal controls over financial reporting and bank's disclosure controls and procedures, including the ability of such controls and procedures to detect and deter fraudulent activity.
- **Annual operating plans and budgets** - Senior management develops annual operating plans and budgets for the bank and presents them to the board. The management team implements and monitors the operating plans and budgets, adjusting considering changing conditions, assumptions, and expectations, and keeps the board apprised of significant developments and changes.
- **Business resiliency** - Management develops, implements, and periodically reviews plans for business resiliency that provide the most critical protection considering the bank's operations. It is the responsibility of Management to identify the bank's major business and operational risks, including those relating to natural disasters, leadership gaps, physical security, cybersecurity, regulatory changes, and other matters. Management develops and implements crisis preparedness and response plans and works with the board to identify situations (such as a crisis involving senior management) in which the board may need to assume a more active response role.

#### Bank performance evaluation and reward

The bank's performance and reward approach ensure remuneration structures are balanced and is designed to drive sustainable performance, by ensuring that reward programmes support our business strategy and are both supportive of, and aligned to, sound remuneration practices. Individual reward and incentives are linked directly to the performance and behaviour of the employee, the performance of their respective business units and the interests of shareholders.

### 23. RESULTS AND DIVIDENDS

The Board recommends a dividend of BIF 162 206 per share from year 2024 profit after tax (2023: BIF 214 700 per share). Total amount of dividend recommended is BIF 15 580 million (2023: BIF 11 023 million) which is 35% of the net profit. The dividend is recommended in line with the dividend policy of the Bank.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 24. CRITICAL ACCOUNTING POLICIES AND JUDGEMENTS

Results of the bank are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of the financial statements.

When preparing the financial statements, it is the Directors' responsibility to select suitable accounting policies and to make judgments and estimates that are reasonable and prudent. The accounting policies that are deemed critical to our results and financial position, in terms of the materiality of the items to which the policies are applied and the high degree of judgment involved, including the use of assumptions and estimation, are described in notes 6 and 7 to the Financial Statements.

### 25. SOLVENCY

The Directors consider the bank to be solvent within the meaning ascribed by the Company Act.

### 26. EMPLOYEES' WELFARE

Employees with appropriate skills and experience in running the business are a key resource available in the Bank assisting in pursuing the Bank's business objectives. The Bank continues to encourage open and honest communication in decision-making. Employment issues, financial and economic factors affecting the Bank's performance are regularly shared with the employees. The total number of employees at the year-end was 176 (2023: 146).

#### Management and Employees Relationship

There were continued good relations between employees and Management and there were no unresolved complaints received by Management from the employees during the year.

The bank's management focuses on building the right culture as a strategic human resource priority by ensuring that bank's culture is embedded across all levels and the same is driven across the entire workforce. Having the right culture is an essential element for the bank's future development as we transform towards creating the digital era banking. Amongst the key components in this development is ensuring that our leaders are charged by the major roles of fostering strong leadership capabilities, talent management, enhancing employee relationship and development.

Our leaders believe and always strive in creating an enabling environment where all employees will be able to utilize their fullest potentials while allowing them to connect to each other with dignity and respect.

Resultant to these initiatives the bank has been able to retain its key staff and maintained the turnover rate below 5%. Additionally, CRDB Bank continued to maintain a strong organization health index as compared to the global benchmarks as rated by McKenzie at the group level and which indicates strong capacity to continuously improve its performance in future.

#### Employees Performance Management

The Bank uses Performance Management System to evaluate employee's performance against set and agreed objectives. The system forms the basis for providing employees with performance feedback, recognition, development, and corrective action plan to promote effective performance.

The Performance Management System is an integrated process with full participation of managers and staff in both setting and reviewing of performance objectives.

The Bank uses the Balanced Scorecard and Competencies Based Framework as a tool for assessing performance of its employees. The Balanced Score Card Performance review is conducted semi-annually where the Line Manager and the subordinate meet to review the performance of that ending period and as a session for giving feedback. The Performance assessment results form a valuable component on one's reward.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 26. EMPLOYEES' WELFARE (Continued)

#### Staff Training and Development

During the year the Bank spent BIF 890 million on staff training to improve employee's skills. Training programs were implemented with assistance from the Parent Company to ensure employees are adequately trained at all levels with some form of annual training to upgrade skills and enhance development and succession plan. During the year, eleven staff were attached at different departments at parent company to improve their skills and have more exposure.

The bank used different learning methodologies to offer these trainings which included: blended learning through different facilities like Video Conferencing which allowed facilitators from one point to interact with different business units; web-based learning (eLearning) whereby one could learn at their own pace; and face to face training sessions which were conducted within and outside the bank. All employees of the bank, have access to more than one learning option and are encouraged to use the opportunity to re-tool and up-skill themselves in their specialised area of working and personal development to enable them to discharge their duties effectively.

The role of training is to improve performance in the job, to develop skills and to prepare individuals for other roles and responsibilities. As with promotion and career development, decisions in respect of who is trained and how that training will be facilitated will be based on individual development needs and not on age, disability, gender, socio-economic status, ethnicity, religion.

#### Youth Programs

The bank launched Graduate Program since 2021 which focuses on preparing college graduates to become experts in banking and building them into future leaders. The program is a rich career and professional development opportunity for committed graduates that aim to make a positive impact in the Banking Sector.

The program came at the right time when the government and development partners in the country are investing heavily in ensuring that university graduates in the country find employment and create a self-employed environment. The program provides more than a job it creates a fast-paced journey to grow the skills of young graduates, develop their carrier, and unlock their potential. In the course the trainees receive field training through branches, departments, and units within the bank to build their resilience. As a Bank We are proud to be part of the youth employment solution.

#### Employee Wellbeing Initiatives

The Bank have an employee wellness program which is a professional service that offers confidential counselling, sensitization training, capacity building and support with regards to health-related issues. The program aims at sensitizing staff to change and live healthier lifestyles.

It emphasizes on the balancing of work/life within dimensions like emotional control, behaviour change, mind and body health, physical fitness etc. Employees have access to a range of health and wellbeing resources, including medical cover, occupational health services, nutrition and an employee assistance program.

#### Medical Assistance

All members of staff and their immediate families were availed medical services by appointed hospitals including Burundi Medical and Research Centre (BUMEREC), Centre Medico-Chirurgical de Kinindo (CMCK), Hopital Militaire de Kamenge, Polyclinique Centrale de Bujumbura (Polyceb), Kira Hospital, Clinique de l'Oeil, Maisha Optical Center, Pharmacie Salama and Ngozi Polyclinique Monseigneur St Joseph Martin Germain.

#### Health and Safety

The Bank took all reasonable and practicable steps to safeguard the health safety and welfare of its employees and customers. A safe working environment is ensured for all employees by providing adequate and proper personal protective equipment, training and supervision as necessary and as per health authorities advice and recommendations.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 22. CORPORATE GOVERNANCE (Continued)

#### ***Annual leave***

Every employee is entitled to 30 calendar days annual paid leave once in each calendar year and Relaxation Leave of six (6 days) consecutive days each. For every full month worked an employee earns 2.5 leave days. Out of the 30 leave calendar days, an employee is required to take at least 14 days consecutive leave in a calendar year.

#### ***Financial Assistance to Staff/Staff loan scheme***

The Bank offers staff loans to enable its employees acquire capital goods, property, to effect improvements to their properties, to meet educational expenses for themselves or dependents and to meet unforeseen financial commitments. Staff loans are guided by the Bank's Credit Policy and Credit Manual. Loans are available to all confirmed employees depending on the assessment of the need and circumstances if it is in line with the Human Resources and Credit Policies. As at end of the year staff outstanding loans was BIF 8.7 billion accounting for 1% of the total loans and advances and they were within regulatory requirements.

#### ***Persons with Disabilities***

It is the Bank's policy to provide employment to disabled persons wherever practicable. The Bank has always considered this policy whenever it recruits. The basis of development and promotion is based on the ability of an employee to perform at a higher position to which he or she is promoted. The performance management system results of an employee form a very important part in assessing the candidate's potentiality for promotion. Training development and promotions are free from discrimination of any kind. If an employee has a disability, the bank makes reasonable adjustments, to accommodate individual requirements.

#### ***Employees' Benefit Plan***

The Company pays mandatory contributions to the publicly administered pension scheme INSS for all employees under a defined contribution pension scheme. A defined contribution plan is a pension plan under which the bank pays a fixed contribution into a separate entity. The bank has no legal or constructive obligation 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.

#### ***Succession planning***

The Bank endeavours to minimize the risk of key man dependence by creating a succession pool. Successor's development plans are established in preparation for their readiness. The succession pool creates a provision for talent sourcing in the event of an attrition in a critical position. The Succession planning process in the Bank is mainly built to address the following main objectives: Identify high-potential employees capable of rapid advancement to positions of higher responsibility than those they presently occupy, ensure the systematic and long-term development of individuals to replace critical job incumbents as the need arises, provide a continuous flow of talented people to meet the bank's management needs. Succession planning reduces the risk or time it takes to fill a critical role if someone leaves.

#### ***Talent Management***

The Bank undertakes to identify, develop, and retain talented employees. The Bank has its talent management framework which provides a guideline on how talent will be identified in the bank linking performance to potential. To enable the Bank, remain competitive and successfully carry out its activities, ensure long-term supply of required skills and expertise for its business development and sustainability, it is in the bank's best interests to develop staff to be prepared to assume different leadership levels rather than position. Talent Management and development is a model developed to ensure a knowledgeable labour supply exists within the Bank to replace personnel leaving the organization regardless of the reason.



## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 27. GENDER PARITY AND DIVERSITY

The Board is committed to having an appropriate blend of diversity on the Board and the Bank’s senior management. The Bank is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability which does not impair ability to discharge duties.

**The Bank’s gender parity was as follows:**

Group/Category	2024 Male	2024 Female	2023 Male	2023 Female
Board	4 (57%)	3 (43%)	4 (57%)	3 (43%)
Key Management Personnel	30 (66.6%)	15 (33.3%)	24 (61.5%)	15 (38.5%)
Other employees	80 (56.7%)	61 (43.2%)	72 (67 %)	35 (33%)

### 28. SERIOUS PREJUDICIAL ISSUES/MATTERS

In the opinion of the Directors, during the year 2024 there were no serious unfavourable legal matters that could affect the Bank (2023: None).

### 29. POLITICAL AND CHARITABLE DONATIONS

The bank did support the government of Burundi by contributing BIF 76 500 000 for the private investors conference with a view to mobilizing resources for the implementation of the vision of Burundi as an emerging country in 2040, a developed country in 2060.

### 30. CORPORATE SOCIAL INVESTMENT

In 2024, the Bank contributed to several matters to support various institutions and activities. A total amount of BIF 75 397 000 was used by the Bank for CSI activities as follows:

- BIF 2 000 000 was used to support association Umukenyenzi n’Iterambere Rirama in charge of orphans.
- BIF 5 718 000 was used to support Lycee Du Saint Esprit in their environmental protection project.
- BIF 18 879 000 to support John Wick Lincoln Yubahwe a kid suffering Nephrotic Syndrome for his treatment abroad.
- BIF 7 000 000 to support Foundation Buntu in charge of more than 100 orphans to allow them to buy school kit for the kids
- BIF 5 000 000 to support Burundi Education Project to construct & equip a library in Gakwende.
- BIF 25 000 000 to support OPDAD-BURUNDI in their health project to clean the city by sensitizing the population to take care of the environment.
- BIF 11 700 000 to CHUCK for patient who were retained by the hospital due to lack of funds

### 31. MAIN EVENTS HOSTED BY THE BANK

Different events were hosted by the bank, but the most colourful were:

- The Malkia Forum aiming to celebrate International Women’s Day (Q1)
- The Iftar dinner celebration with our Muslim customers in March 2024 (Q1),
- The official launch of the new bill payment Lipa Namba with REGIDESO and official launch of the digital solution for municipal tax management “E-tax” in (Q3)
- CRDB bank Burundi Marathon in August (Q3).

We took advantage of the events to advertise our products and run marketing sessions to strengthen our brand position as well as our relationship with customers and the Burundian community in general.

## THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 32. RELATIONSHIP WITH STAKEHOLDERS

The Bank continued to maintain a good relationship with all stakeholders.

### 33. EVENTS AFTER REPORTING PERIOD

There were no material events adjusting or non-adjusting which have occurred between the reporting date and the date when financial statements are authorised for issue.

### 34. AUDITORS

The Statutory Auditors TAA PARTNERS, were appointed by the Shareholders on 22<sup>nd</sup> March 2024. In line with BRB circular No 16/08 they are eligible for reappointment. A resolution proposing appointment of the Bank's statutory auditors for the year ending 31 December 2025 will be tabled to the Annual General Assembly in March 2025.

### 35. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the responsibility of those charged with governance to prepare financial statements of the bank which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions. This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it covers all those charged with governance who acted in this capacity during any part of the period covered by financial statements.

**BY ORDER OF THE BOARD**



**HOSEA KASHIMBA, CPA**  
**CHAIRMAN**

**21 February 2025**



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Company's profit or loss.

It also requires the Directors to ensure that the Company keeps proper accounting records that disclose with reasonable accuracy 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 judgments and estimates in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The Directors are of the opinion that these financial statements give a true and fair view of the state of the financial affairs of the Company's profit.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as designing, implementing and maintaining adequate systems of internal financial control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

### BY ORDER OF THE BOARD

**HOSEA KASHIMBA, CPA  
CHAIRMAN**

**21 February 2025**

**TAA PARTNERS**

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We have audited the financial statements of CRDB Bank Burundi S. A which comprise the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly in all material respects the financial position of the CRDB Bank Burundi S. A as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Burundi Companies Act.

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Burundi and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key Audit Matters***

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

***Other Information***

The Management is responsible for the other information. The other information comprises the other information included in this report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CRDB BANK BURUNDI S. A. (CONTINUED)

### Report On The Audit Of The Financial Statements (Continued)

#### Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Company'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 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 based on these financial statements.



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 BIF 000	31 December 2023 BIF 000
Interest income	12	122 765 253	78 212 591
Interest expense	13	(51 526 080)	(33 802 978)
<b>Net interest income</b>		<b>71 239 173</b>	<b>44 409 613</b>
Fee and commission income	14	7 724 745	6 594 743
Fee and commission expense	16	(1 283 002)	(550 647)
<b>Net fee and commission income</b>		<b>6 441 743</b>	<b>6 044 096</b>
Net trading income	15	17 152 420	12 556 935
<b>Net operating income</b>		<b>94 833 336</b>	<b>63 010 644</b>
Operating expenses:			
Staff expenses	17	(13 229 510)	(9 630 271)
Depreciation and Amortization	25-27	(1 499 835)	(1 124 613)
Other operating expenses	18	(29 324 907)	(16 056 385)
General provisions	19	(3 885 408)	(3 131 189)
<b>Total operating expenses</b>		<b>(47 939 660)</b>	<b>(29 942 458)</b>
<b>Profit before tax</b>		<b>46 893 676</b>	<b>33 068 186</b>
Development Tax	20	-	(861 192)
Corporate Tax	20	(2 377 647)	(712 914)
<b>Net Profit for the Year</b>		<b>44 516 029</b>	<b>31 494 080</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>44 516 029</b>	<b>31 494 080</b>



## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 BIF 000	31 December 2023 BIF 000
<b>ASSETS</b>			
Cash and balances with central bank	21	241 064 270	75 229 373
Balances due from other banking institutions	22	182 273 910	63 089 063
Treasury bills and bonds	23	413 491 041	250 249 470
Loans and Overdrafts	24	911 982 257	684 933 921
Property and equipment	25	28 881 650	20 805 926
Intangible assets	26	544 651	669 030
Leased premises refurbishment	27	693 855	104 845
Other assets	28	18 117 241	21 406 493
Right of use of Asset	29	5 940 804	53 721
Investment accounted for using the equity method	30	-	100 000
Tax Asset	31	705 865	2 937 202
<b>TOTAL ASSETS</b>		<b>1 803 695 544</b>	<b>1 119 579 044</b>
<b>LIABILITIES</b>			
Customer Deposits	32	842 381 447	611 150 973
Other liabilities	33	17 632 511	16 113 974
Lease Liability	34	6 085 465	62 578
Borrowing	35	566 742 992	284 499 184
Balances due to other banking institutions	36	227 788 161	116 440 930
<b>Total liabilities</b>		<b>1 660 630 576</b>	<b>1 028 267 640</b>
<b>EQUITY</b>			
Share capital	37	48 027 000	25 670 500
Statutory Reserves	38	148 926	4 244 964
Legal Reserve	38	43 542 664	27 962 052
Retained Earnings	39	51 346 378	33 433 887
<b>Total shareholder's equity</b>		<b>143 064 968</b>	<b>91 311 404</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1 803 695 544</b>	<b>1 119 579 044</b>

Hosea Kashimba, CPA  
Chairman

Mr. Fredrick Siwale  
Managing Director

Mrs. Kahumbya Bashige  
Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share Capital BIF 000	Retained Earnings BIF 000	Legal Reserve BIF 000	Statutory Reserves BIF 000	Total BIF 000
<b>At 1 January 2023</b>	19 625 000	20 075 159	16 939 124	1 415 050	58 054 333
<b>Profit Adjustments for 2022</b>	-	-	-	-	-
Profit for the year after tax	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	31 494 080	-	-	31 494 080
Transfer of excess depreciation	-	-	-	-	-
Transfer to Legal Reserve	-	(11 022 928)	11 022 928	-	-
Differed tax on excess depreciation	-	-	-	-	-
Transfer to/from statutory reserve	-	-	-	2 829 914	2 829 914
Payments of dividends	6 045 500	(7 112 423)	-	-	(1 066 923)
Proceeds from issue of shares	-	-	-	-	-
Transfer to/from share premium	-	-	-	-	-
<b>At 31 December 2023</b>	<b>25 670 500</b>	<b>33 433 887</b>	<b>27 962 052</b>	<b>4 244 964</b>	<b>91 311 403</b>
<b>At 1 January 2024</b>	<b>25 670 500</b>	<b>33 433 887</b>	<b>27 962 052</b>	<b>4 244 964</b>	<b>91 311 403</b>
<b>Profit Adjustments for 2023</b>	-	-	2	-	2
Profit for the year after tax	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	44 516 029	-	-	44 516 029
Transfer of excess depreciation	-	-	-	-	-
Transfer to Legal Reserve	-	(15 580 610)	15 580 610	-	-
Differed tax on excess depreciation	-	-	-	-	-
Transfer to/from statutory reserve	-	-	-	(4 096 038)	(4 096 038)
Payments of dividends	11 022 928	(11 022 928)	-	-	-
Proceeds from issue of shares	11 333 572	-	-	-	11 333 572
Transfer to/from share premium	-	-	-	-	-
<b>At 31 December 2024</b>	<b>48 027 000</b>	<b>51 346 378</b>	<b>43 542 664</b>	<b>148 926</b>	<b>143 064 969</b>



## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024 BIF 000	31 December 2023 BIF 000
<b>Cash flows from operating activities</b>		
Profit/loss before taxation	46 893 676	33 068 186
Depreciation of property and equipment	1 296 737	807 247
Amortization of intangible assets	124 379	139 580
Amortization of leased premises refurbishment	78 720	177 786
Regulatory reserves	3 885 408	3 131 190
Gratuity	1 511 344	905 291
	<b>53 790 264</b>	<b>38 226 279</b>
(Increase)/Decrease in loans and advances to customers	(227 048 336)	(377 358 955)
(Increase)/Decrease in treasury bills	(113 075 434)	35 810 905
(Increase)/Decrease in other assets	3 289 252	(16 179 506)
(Increase)/Decrease in customer deposits	231 230 474	146 892 857
(Increase)/Decrease in other liabilities	33 133 689	(1 921 363)
<b>Net cash used in operating activities</b>	<b>(72 470 356)</b>	<b>(212 756 063)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(14 066 373)	(10 029 225)
Purchase of intangible assets	-	(15 681)
Refurbishment cost	(667 730)	
<b>Net cash used in investing activities</b>	<b>(14 734 103)</b>	<b>(10 044 906)</b>
<b>Cash flows from financing activities</b>		
Loan from Parent Company	282 243 808	75 075 831
<b>Net cash used in financing activities</b>	<b>282 243 808</b>	<b>75 075 831</b>
Net change in cash and bank balances	<b>248 829 613</b>	<b>(109 495 859)</b>
Cash and bank balances at the beginning of the year	863 651	119 359 511
<b>Cash and bank balances at the end of the year</b>	<b>258 693 264</b>	<b>9 863 651</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. CORPORATE INFORMATION

CRDB Bank Burundi S.A (the “Company”) was incorporated in Burundi in the year 2012 under the Company’s Act and is domiciled in Burundi. It offers a comprehensive range of Corporate Retail Business Treasury and other various banking services to the general public. CRDB Bank Burundi S.A is a wholly owned subsidiary of CRDB Bank PLC. CRDB Bank PLC is a commercial bank incorporated in Tanzania and is listed in the Dar Es Salaam Stock Exchange.

### 2. BASIS OF PREPARATION

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board. The measurement basis applied is the historical cost basis except for the following;

- Debt instrument at fair value through OCI
- Other financial assets and liabilities measured at amortised cost as explained in the accounting policies.
- Financial assets measured at FVPL
- Equity instrument measured at FVOCI
- Equity instrument measured at FVPL
- In the preparation of financial statements, the Bank has considered the impact of macro-economic and geopolitical uncertainty especially on areas which needs significant estimates and judgements and considered materiality assessments.

The financial statements are presented in Burundi francs (BIF) rounded to the nearest thousands, except where otherwise indicated.

The Bank has prepared its financial statement on the basis that it will continue to operate as a going concern-refer to note 8.

### 3. STATEMENTS OF COMPLIANCE

The Bank financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The Bank’s financial statements, except for cashflow statement, have been prepared using the accrual basis of accounting.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Bank’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The directors believe that the underlying assumptions are appropriate and that the Bank’s financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 8

### 4. PRESENTATIONS OF FINANCIAL STATEMENTS

These financial statements comprise the statements of financial position (also referred to as the balance sheet) as at 31 December 2024, the income statement; and statement of other comprehensive income, statements of changes in equity and statements of cash flows for the year ended; as well as the notes, which comprise a summary of significant accounting policies and other explanatory notes.

The Bank presents its statement of financial position in order of liquidity based on the Bank’s intention and perceived ability to recover/settle most assets/liabilities of the corresponding financial statement



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 4. PRESENTATIONS OF FINANCIAL STATEMENTS (Continued)

line item. Financial assets and financial liabilities are generally reported gross in the statement of financial position except when IFRS netting criteria are met.

### 5. APPLICATIONS of the going concern principle

The Bank’s management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. In making this assessment, the Bank has considered the impact of climate-related matters on going concern assessment. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

#### *Macroeconomic and geopolitical uncertainty*

The impact of the macroeconomic and geopolitical environment has worsened inflationary pressure in almost all economies around the world. High and rising energy prices are having a negative impact on the cost of other goods and services, resulting in significant consumer price increases in many countries. Global supply chain disruption caused by war in Ukraine and Gaza, BIF devaluation, fuel shortages, continued to exert pressure on commodity prices, particularly food and energy.

The macroeconomic and geopolitical uncertainty, including the impacts of the War in Ukraine, and the residual impacts of the Covid-19 pandemic were insignificantly affecting the assumptions and estimation uncertainty associated with the measurement of assets and liabilities.

### 6. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Bank has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these financial statements. Other amendments and interpretations apply for the first time in 2024, but do not have an impact on the Bank’s financial statements.

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

#### (i) ***New and amended standards adopted by the Bank***

The following standards have been adopted by the Bank for the first time for the financial year beginning on 1 January 2024.

*IFRS Accounting Standards and amendments effective for the first time for December 2024 year-ends*

Number	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024  (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.  The amendments are not expected to have a material impact on the Bank’s financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 6. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Number	Effective date	Executive summary
Amendment to IFRS 16, 'Leases' - sale and leaseback	Annual periods beginning on or after 1 January 2024  (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.  The amendments are not expected to have a material impact on the Bank's financial statements
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024  (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.  The amendments are not expected to have a material impact on the Bank's financial statements

#### (ii) IFRS Accounting Standards and amendments issued but not effective

Number	Effective date	Executive summary
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025  (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.  The amendments are not expected to have a material impact on the Bank's financial statements
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026  (Published May 2024)	These amendments: <ul style="list-style-type: none"> <li>clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</li> <li>clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and</li> <li>make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).</li> </ul> The Bank's is currently working to identify all impacts the amendments will have on its financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 6. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

*(ii) IFRS Accounting Standards and amendments issued but not effective (continued)*

Number	Effective date	Executive summary
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027  (Published April 2024)	<p>The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.</p> <p>IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</p> <p>Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.</p> <p>The Bank's is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.</p>
IFRS 19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027  (Published May 2024)	<p>The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements.</p> <p>IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements. As the Bank's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.</p>

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group and the Bank in the current or future reporting periods and on foreseeable future transactions. *For all new standards and interpretations not yet adopted by the Group and Bank, they will be adopted on the respective effective dates, if applicable.*

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 7.1. Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Burundi Francs, which is the bank's functional and reporting currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Transactions in foreign currencies during the year are converted into Burundi Francs 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 profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the income statement, except for the effective portion of the differences on foreign currency borrowings that are accounted for as an effective hedge against a net investment in a foreign entity.

These differences are recognised in OCI until the disposal of the net investment, at which time, they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI. Non-monetary items that are measured at historical cost in a foreign currency are translated using the prevailing exchange rates as at the date of recognition.

#### 7.2 Interest and similar income/expense

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense to provide symmetrical and comparable information. The bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. In its Interest income/expense calculated using the effective interest method.

#### 7.3 Fees and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

When the Bank provides a service to its customers, consideration is determined as per the Banks' rates and charges and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time. The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.4 Financial instruments - initial recognition

##### 7.4.1 Date of recognition

Financial assets and liabilities, except for loans and advances to customers and balances due to customers, are initially recognized on the date on which the Bank becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Bank recognizes balances due to customers when funds are transferred to the Bank.

##### 7.4.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Receivables are measured at the transaction price.

Immediately after initial recognition, an expected credit loss allowance is recognised for newly originated financial assets measured at amortised cost or fair value through other comprehensive income debt instruments.

##### 7.4.3 Day 1 profit or Loss

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

##### 7.4.4 Measurement categories of financial assets and liabilities

Classification and subsequent measurement of financial assets depends on;

- The Bank's business model for managing the asset; and
- The cash flow characteristics of the asset.  
Based on these factors, the Bank classifies its financial assets into one of the following three measurement categories.
- **Amortized 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 amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the profit or loss statement within 'net gains/ (losses) on financial assets at fair value through profit or loss' in the period in which it arises. Financial assets designated in this class are not held for trading.
- **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 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 amortized cost which are recognized in profit or loss. Interest income from these financial assets is included in interest income' using the effective interest rate method.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.4 Financial instruments - initial recognition (Continued)

##### 7.4.4 Measurement categories of financial assets and liabilities (Continued)

The business model assessment is not performed on an instrument-by-instrument basis, but at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The main consideration in determining the different business models across the group is whether the objectives of the business model are met primarily through holding the financial assets to collect contractual cash flows, through the sale of these financial assets, by managing assets and liabilities on a fair value basis, or through a combination of these activities.

The Bank classifies the financial instruments into classes that reflect the nature of information and consider the characteristics of those financial instruments. The classification made can be seen in the table below;

Category (as defined by IFRS 9)		Class (as determined by the Bank)	Subclass	
Financial Assets	Amortized cost	Due from banks		
		Loans and advances to customers	Loans to individuals (personal lending)	Personal Loans Mortgage Loans
			Loans to corporate entities	Corporate Customers
			Loans to SMEs	SME Loans
		Credit Cards Other assets Investment in Debt Securities	(excluding non - Debts Instruments financial assets Treasury Bill and Bonds ( SPPI)	
			Private Bonds Private Bonds	
		Settlement and clearing account		
		Cash balances with accounts		
	Fair value through other	Equity investments designated at FVOCI Other treasury bonds held to collect contractual		
	comprehensive	Cash flows and sale		
	Income (FVOCI)			
	Fair value through Profit or Loss (FVPL)	Equity investments designated at FVPL Financial asset designated at FVPL		
Financial assets Held for trading	Fair value through Profit or Loss (FVPL)	Debt Instruments		
Financial liabilities	Financial liabilities at amortises cost	Deposits from Banks Borrowings, subordinated debts, and other liabilities		
		Deposits from Retail customers		
		Customers	corporate customers	
Off - balance	Loan commitments			
Sheet financial instruments	Guarantees, acceptances and other financial liabilities			



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.5 Financial assets and liabilities

The Bank measures Loan and advances to banks, Loans and advances to customers, Debt instruments measured at amortized cost, financial assets measured at FVPL, Equity instrument measure at FVPL, Equity instrument measured at FVOCI only if both of the following conditions are met:

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

The details of these conditions are outlined below.

##### 7.5.1 Business Model Assessment

The business model reflects how the Bank manages the assets 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 of assets include 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.

In considering whether the business objective of holding a group of financial assets is achieved primarily through collecting contractual cash flows, among other considerations, management monitors the frequency and significance of sales of financial assets out of these portfolios for purposes other than managing credit risk.

For the purposes of performing the business model assessment, the Bank only considers a transaction a sale if the asset is derecognised for accounting purposes. For example, a repurchase transaction where a financial asset is sold with the commitment to buy back the asset at a fixed price at a future date is not considered a sale transaction because substantially all the risks and rewards relating to the ownership of the asset have not been transferred and the asset is not derecognised from an accounting perspective.

If sales of financial assets are infrequent, the significance of these sales is considered by comparing the carrying amount of assets sold during the period and cumulatively to the total carrying amount of assets held in the business model. If sales are either infrequent or insignificant, these sales will not impact the conclusion that the business model for holding financial assets is to collect contractual cash flows. Determining whether sales are significant or frequent requires management to use its judgement. The significance and frequency of sales are assessed on a case-by-case basis at the business model level.

##### 7.5.2. The SPPI test

The Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test. 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.

The 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.5 Financial assets and liabilities (Continued)

##### 7.5.2. The SPPI test (Continued)

make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. 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. The SPPI test is applied on a portfolio basis for all loans and advances as the cash flow characteristics of these assets are standardized. Where the cash flow characteristics of an instrument is not standardized then the SPPI test will be performed at an individual instrument at initial recognition

##### 7.5.3 Modifications of financial assets and financial liabilities

###### 7.5.3.1 Modification of financial assets

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral.

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired.

In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs. To renegotiate or modify the contractual cash flows of loans to customers, the Bank assesses whether the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.5 Financial assets and liabilities (Continued)

##### 7.5.3 Modifications of financial assets and financial liabilities

###### 7.5.3.2 Modification of Financial liabilities

The Bank derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

A substantial modification of the terms occurs where 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.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

##### 7.5.4. Derecognition due to substantial modification of terms and conditions

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it become a new loan, with the difference recognize as a derecognition gains or losses to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as stage 1 for ECL measurement purposes unless the new loan is deemed to be POCL.

##### 7.5.5. Derecognition other than substantial modification of terms and conditions

###### 7.5.5.1. Financial assets

A financial asset is derecognized when the rights to receive cash flows from the financial asset have expired. The Bank also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset,
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.
- Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the original asset), but assumes a contractual obligation to pay those cash flows to one or more entities (the eventual recipients), when all the following three conditions are met:
  - The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
  - The Bank cannot sell or pledge the original asset other than as security to the eventual recipients.
  - The Bank must remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.5 Financial assets and liabilities (Continued)

##### 7.5.5.1. Financial assets (Continued)

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset, or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and can exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Bank's continuing involvement, in which case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

##### 7.5.5.2. Financial Liabilities

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

#### 7.6. Forborne modified Loans.

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Bank considers a loan forborne when such concessions or modifications are provided because of the borrower's present or expected

financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy.

Indicators of financial difficulties include defaults on covenants, or significant concerns raised by Credit analysts. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. It is the Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. If modifications are substantial, the loan is derecognised. Once the terms have been renegotiated without this resulting in the derecognition of the loan, any impairment is measured using the original EIR as calculated before the modification of terms.

The Bank also reassesses whether there has been a significant increase in credit risk, and whether the assets should be classified as Stage 3. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Once an asset has been classified as forborne, it will remain forborne for a minimum of 6-month for credit revolving facilities and 4 consecutive instalments for term loans as a probation period.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.6. Forborne modified Loans (Continued)

For the loan to be reclassified out of the forborne category, the customer must meet all the following criteria:

- All of its facilities have to be considered performing.
- The probation period of two years has passed from the date the forborne contract was considered performing.
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period

The customer does not have any contracts that are more than 30 days past due

#### 7.7. Offsetting financial instruments.

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position except when IFRS netting criteria are met.

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

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been affected.

The Bank recognises loss allowances for ECLs on the following financial instruments that are not measured at FVPL:

- Due from banks;
- Loans and advances to customers;
- Debt instrument at FVOCI;
- Loan commitments issued;
- Financial guarantee and letter of credit; and
- Other assets (excluding non-financial assets).

Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12-month ECL)

Except for POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e., ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.8. Impairment of financial assets

##### 7.8.1. Overview of the ECL principles

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. The Bank apply low credit risk exemption for financial instruments with no significant increase in credit risk.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. For the purposes of determining ECL, all facilities whose contractual payments are more than 30 days due but less than or equal to 90 days due are grouped in stage 2 as they are taken to have experienced a significant increase in credit risk.

As part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2, and Stage 3 as described below:

- Stage 1: When loans are first recognized, the Bank recognizes an allowance based on 12-month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the Lifetime ECL. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired (as outlined in Note 10.3.8) The Bank records an allowance for the Lifetime ECL.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Bank calculates ECL by projecting the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) 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 mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**PD** – The Probability of Default is an estimate of the likelihood of default over a given time horizon. It calibrated over up to 12 months from the reporting date (stage 1) or over the lifetime of the product



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.8. Impairment of financial assets (Continued)

##### 7.8.1. Overview of the ECL principles (Continued)

(stage 2) and incorporating the impact of forward-looking economic assumptions that influence credit risk, such as interest rates, unemployment rates and GDP forecasts.

The lifetime PD is developed by applying a maturity profile to the current 12-month 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.

**EAD** - The Exposure at Default is an estimate of the exposure at a future default date, considering the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortisation, and prepayments, together with the impact of forward-looking economic assumptions where relevant. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

For amortized products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by the 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 remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on an analysis of the bank's recent default data.

**LGD** - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank expects to receive. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

##### 7.8.2. Calculation of ECL

- 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.

When estimating the ECL, the Bank considers three scenarios (a base case, an upside, and a downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. Except for credit cards and other revolving facilities, for which the treatment is separately, the maximum period for which the credit losses are determined is the contractual life of a financial instrument. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Bank measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis. 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 an annual basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.8. Impairment of financial assets (Continued)

##### 7.8.2. Calculation of ECL (Continued)

The mechanics of the ECL method are summarised below:

Stage 1: The 12-month ECL is calculated as the portion of Lifetime ECL that represent the ECL that result from default events on a financial instrument that are possible within the

12 months after the reporting date. The bank calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the bank records an allowance for the Lifetime ECL. The mechanics are like those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the Lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the bank recognizes the Lifetime expected credit losses for these loans. The method is like that for Stage 2 assets, with the PD set at 100%.

POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

Loan commitments and letters of credit: When estimating Lifetime ECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the bank expects to receive if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within other Liabilities i.e acceptances guarantees and letters of credit are accounted for as off-balance sheet transactions. Translation gain or losses on foreign denominated items are recognized immediately in the income statement.

#### ***Provision for Loans and advances***

The provision policy follows both the BRB regulations and IFRS requirements. Provisions determined as per BRB have been adopted because they are higher than the provisions determined as per IFRS provisions. The applicable rates as per BRB regulations are shown in the table below.

<b>Classification</b>	<b>Days past due</b>	<b>Provision rates</b>
Current	0	1%
Debt to Monitor	1 - 89 days	3%
Pre-Doubtful	90 - 179 days	20%
Doubtful	180 - 359 days	50%
Disputed Debts (loss)	> 360 days	100%



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.8. Impairment of financial assets (Continued)

##### 7.8.3. Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognises the cumulative changes in Lifetime ECL since initial recognition in the loss allowance.

##### 7.8.4. Forward-looking economic information

In its ECL models, the Bank relies on a broad range of forward-looking information as economic inputs, such as, GDP growth, unemployment rates, inflation rates, lending rate, and money supply.

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. There were no changes in estimation techniques/ assumptions made during the reporting period.

##### 7.8.5. Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets.

#### 7.9. Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, and other non-financial assets. On this basis, the fair value of collateral affects the calculation of ECL. Collateral is generally assessed, at a minimum, at inception and re-assessed upon issuing an additional loan or restructuring a loan. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

#### 7.10. Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss. The Bank may write-off financial assets in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full. The assessment is done to specific borrower.

#### 7.11. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, including: cash and non-restricted balances with Central bank, Investment securities and amounts Due from banks that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

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

#### 7.12. Property and equipment

All property and equipment are stated at historical cost less depreciation and accumulated impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7.12. Property and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Depreciation is calculated on a straight-line basis by reference to the expected useful lives of the assets concerned. During the year, the bank reviewed the accounting estimates for the useful lives of the property and equipment there was no changes from prior year assessment.

Leased premises refurbishment	10%
Computer Equipment	20%
Motor vehicles	10%
Furniture fittings and office equipment	10%
Land and Buildings	1.7%

Leased premises refurbishment represent costs incurred by the bank in refurbishment of leased bank premises. The cost shall be amortized over the shorter of the lease term and useful lives from the year the costs are incurred. Property and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are considered in determining operating profit. On disposal of revalued assets amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

#### Intangible assets - software costs

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the production or procurement of identifiable and unique software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognized as intangible assets. Direct costs include the software implementation consultancy costs and an appropriate portion of relevant overheads. The costs are amortized on a straight-line basis over the expected useful life of eight years at the rate of 12.5% (2023 was 12.5%).

### 8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues,

expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 8.1. Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances. The Bank's ECL calculations are outputs of complex models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

#### 8.1. Impairment losses on financial assets (Continued)

- a) The Bank's internal credit grading model, which assigns PDs to the individual grades.
  - b) The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment. Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after considering the passage of time). Whether a change in the risk of default is significant or not is assessed using several quantitative and qualitative factors (as per note 4), the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk. Financial assets that are 30 or less days past due are considered to have low credit risk.
  - c) Cure rate:- Cure rate is a percentage of credit exposure accounts which were in default category, but as at assessment date have moved to a better category. Cure rate shall be factored in at the LGD level when assessing recovery rate. The rate reduces the percentage of loss given default and is computed at the overall credit portfolio level. Consideration of movement of accounts is done annually.
  - d) Qualitative criteria applied when checking whether the account has cured or not are those in line with Bank of Tanzania guideline on IFRS 9 Implementation. Defaulted accounts which are assessed whether they have cured shall exclude accounts which have restructured or which have been charged off during the period.
  - e) Development of ECL models, including the various formulas and the choice of inputs.
  - f) Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- a) Development of ECL models, including the various formulas and the choice of inputs.
  - b) Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
  - c) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models:- The evolving economic environment is a key determinant of the ability of a Bank's clients to meet their obligations as they fall due. It is a fundamental principle of IFRS 9 that the provisions banks hold against potential future credit risk losses should depend not just on the health of the economy today but should also take account of changes to the economic environment in the future. To capture the effect of changes to the economic environment in the future, the computation of probability of default (PD), loss given default (LGD) and so expected credit loss incorporates forward-looking information; assumptions on the path of economic variables and asset prices that are likely to have an effect on the repayment ability of the bank's clients. Such variables include Inflation, GDP Growth, oil prices fluctuation, average electricity generation, natural gas, population, total household spending, total food sales, total public debt, Government spending in priority sector, unemployment rate, exchange rate movement. It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

#### 8.2. Going Concern

The Bank's management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. In making this assessment, the Bank has considered the impact of climate-related matters on their going concern assessment. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

#### 8.3. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. Changes in valuation assumptions could affect the reported fair value of the financial instruments.

#### 8.4. Effective Interest Rate (EIR) method

The Bank's EIR method, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

In making this assessment, the Bank considers the extent of any changes to the contractual cash flows because of the transition and the factors that have given rise to the changes, with consideration of both quantitative and qualitative factors. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life cycle of the instruments, as well expected changes to Bank's base rate and other fee income/expense that are integral parts of the instrument.

#### 8.5. Provisions and other contingent liabilities

The bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings arising in the ordinary course of the Bank's business. When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. Where the probability of outflow is remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Bank is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosures in its financial statements. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Bank considers several factors including legal advice, the stage of the matter and historical evidence from similar incidents.

#### 8.6. Determination of the lease term for lease contracts with renewal and termination options (Bank as a lessee)

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Bank has several lease contracts that include extension and termination options. The Bank applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

#### Estimating the incremental borrowing rate

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### 8.7. Property, equipment, and intangible assets

Critical estimates are made by those charged with governance in determining the useful lives of property, equipment, and intangible assets as well as their residual values.

### 9. FINANCIAL RISK MANAGEMENT

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis evaluation acceptance and management of some degree of risk or combination of risks. Taking risk is core to the business and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance.

The Bank's risk management policies are designed to identify and analyse these risks to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets products and emerging best practice.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. As part of its governance structure the Board of Directors has embedded a comprehensive risk management framework for identifying measuring controlling (setting risk mitigations) and monitoring of the Bank's risks. The policies are integrated in the overall management information systems of the bank and supplemented by a management reporting structure.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions products and services offered and emerging best practice. The Bank through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees / stakeholders understand their roles and obligations. The Board's Risk Management Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures and review of the adequacy of risk management framework in relation to the risks faced by the bank. The committee is assisted in these functions by various management committees which undertake both regular and ad-hoc reviews of risk management controls and procedures the results of which are reported to the Board.

The most important types of risks are:

- Credit risk
- Liquidity risk
- Market risk

#### 9.1. Credit risk

The Bank takes on exposure to credit risk which is the risk that a counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is one of the most important risks for the Bank's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from lending activities that lead to loans and advances investment activities that bring debt securities and other bills in the Bank's asset portfolio. There is also credit risk in the off-balance sheet financial instruments such as loan commitments letters of credit and guarantees.

The credit risk management and control are centralised and reported to the Board of Directors and management regularly.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.1. Credit risk (Continued)

##### ***Credit risk measurement***

In measuring credit risk of loans and advances to customers and to banks at a counterparty level the Bank reflect two components (i) the 'probability of default' by the client or counterparty on its contractual obligations and (ii) current exposures to the counterparty and its likely future development from which the Bank derives the 'exposure at default'. These credit risk measurements which reflect expected loss (the 'expected loss model') are embedded in the daily operational management and are in line with IFRS 9.

The Bank uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. External and internal information is used to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Bank applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Bank for strategic planning and budgeting. The key drivers of credit risks and credit losses for each portfolio of financial instruments were identified and documented and using a statistical analysis of historical data to estimate relationships between macro-economic variables and credit risk and credit losses.

##### ***Significant increase in credit risk***

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. When there is a significant increase in credit risk a financial asset is moved from one stage to the other along the three IFRS 9 Stages described below (Stage 1 Stage 2 and Stage 3).

	<b>Stage 1 Performing loans</b>	<b>Stage 2 Under performing loans</b>	<b>Stage 3 non-performing loans</b>
Credit risk	Financial instruments with low credit risk at the reporting date	Financial instruments which have had a significant increase in credit risk since initial recognition BUT do not have objective evidence of a credit loss event.	Financial assets that have objective evidence of impairment at the reporting date (essentially same as incurred loss of IAS 39).
Recognition of expected credit losses	12 Month expected credit losses are recognized.	Lifetime expected credit losses are recognized	Lifetime expected credit losses are recognized.
Recognition of interest	Interest revenue is calculated on the gross carrying	Interest revenue is calculated on the	Interest revenue is calculated based on the
	amount of the asset	gross carrying amount of the asset	amortized cost net of the loss provision.

The Bank considers a debt instrument assets loan commitments and financial guarantee contracts to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.1. Credit risk (Continued)

##### *Quantitative criteria*

Based on quantitative review for the purpose of the expected credit losses calculations loans and advances loan commitments and financial guarantees shall be classified as follows; except for those which are assessed differently basing on qualitative criteria.

**0 – 30 days to be classified as Stage 1;** Loans and advances loan commitments and financial guarantees which are performing according to contracted terms and conditions with low risk at the reporting date with 12-month expected losses recognition.

**31 – 90 days to be classified as Stage 2;** Loans and advances loan commitments and financial guarantees which have a significant increase in credit risk since initial recognition but do not have objective evidence of credit loss event with lifetime expected credit losses recognition.

**91 days or more to be classified as Stage 3;** Loans and advances loan commitments and financial guarantees which have objective evidence of impairment at the reporting date with lifetime expected credit losses recognition (credit-impaired assets).

##### *Qualitative criteria*

For Personal Loans if the borrower meets one or more of the following criteria:

- In short-term forbearance or restructuring
- Adverse changes of external data from credit references agencies
- For Corporate and SME portfolios if the borrower is on the Watch list and/or the instrument meets one or more of the following criteria:
  - 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.
- Adverse changes of External data from credit references agencies
- Adverse information obtained during period customer review.
- Significant adversely changes in political regulatory and technological environment of the borrowers or in its business activities.

#### 9.1.1. Risk limit control and mitigation policies

The Bank manages limits and controls concentrations of credit risk wherever they are identified to individual counterparties and groups and to industries. The Bank structure the levels of credit risk they undertake by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers and to industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review when considered necessary.

The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through weekly analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.1. Credit risk (Continued)

##### 9.1.1. Risk limit control and mitigation policies (Continued)

###### (a) Collateral

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 implement 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, inventory, and accounts receivable.
- Charges over financial instruments such as debt securities and equities.

To minimize the credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

###### (b) 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 carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings on behalf of a customer authorizing a third party to draw drafts on a bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan. Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans guarantees or letters of credit. With respect to credit risk on commitments to extend credit the Bank is potentially exposed to loss in amounts 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*.

###### (c) Lending limits (for derivatives and settlement risk)

The Bank maintains strict control limits on net derivative positions (i.e., difference between purchases and sales contracts) by both amount and term. At any one time the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets where their fair value is positive) which in relation to derivatives is only a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments except where the Bank requires margin deposits from counterparties. Settlement risk arises in any situation where a payment in cash securities or equities is made in the expectation of a corresponding receipt in cash securities or equities. Daily settlement limits have been established for each counterparty to cover the aggregate of all settlement risk arising from the Bank's market transactions on any single day.

##### 9.1.2. Impairment and provisioning policies

The Bank establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. These allowances are a specific loss component that relates to individual exposures and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.1. Credit risk (Continued)

#### 9.1.2. Impairment and provisioning policies (Continued)

The Bank writes off loans and advances net of any related allowances for impairment losses when the Board’s Audit Committee determines that the loans and advances are uncollectible and securities unrealizable. This determination is reached after considering information such as the occurrence of significant changes in the borrower or issuer’s financial position such that the borrower or issuer can no longer pay the obligation or that proceeds from sale of collateral will not be sufficient to pay back the entire exposure and after exhausting all other means including litigation. For smaller balance standardized loans charge off decisions are generally based on a product specific past due status.

#### 9.1.3. Maximum exposure to credit risk before collateral held or other credit enhancements.

Financial instruments whose carrying amounts represent the maximum exposure to credit risk without taking account of any collateral held or other credit enhancements are shown below:

	31 December 2024 BIF 000	%	31 December 2023 BIF 000	%
<b>Bank Credit exposures</b>				
<b>On Balance sheet item:</b>				
Cash and balances with Central Bank	241 064 270	13	75 229 373	13
Loans and advances to banks	182 273 910	10	63 089 063	6
Government securities	413 491 041	22	250 249 470	21
Loans and advances to customers (gross)	921 659 487	50	685 831 534	57
Other assets*	10 250 933	1	17 700 871	1
<b>Sub-Total</b>	<b>1 768 739 641</b>	<b>95</b>	<b>1 092 100 311</b>	<b>91</b>
<b>Off balance sheet items:</b>				
Guarantees and indemnities	2 249 124	0	1 694 938	0
Letters of credit	-	0	86 419 607	7
Commitments to extend credit	88 741 625	5	21 329 325	2
<b>Sub-Total</b>	<b>90 990 749</b>	<b>5</b>	<b>109 443 870</b>	<b>9</b>
<b>Total</b>	<b>1 859 730 390</b>	<b>100</b>	<b>1 201 544 181</b>	<b>100</b>

The Bank loans and advances to customers and off-balance sheet items comprise of 54% (2023: 66%) of the total credit exposure. The directors are confident in the ability to continue to control and sustain minimal exposure of credit risk to the Bank.

While collateral is an important mitigation to credit risk the Bank’s underwriting policy ensures that loans are strictly granted on a going concern basis with adequate demonstration of repayment capacity. All facilities are secured by collateral in the form of charges over cash land and buildings marketable securities plant and machinery amongst other.

#### 9.1.4. Collateral repossessed.

It is the Bank’s policy to dispose repossessed properties on the open market at fair market value. The proceeds are used to reduce or repay the outstanding claim. In general, the Bank does not occupy or foreclose repossessed properties for its own business use. As at the year end the Bank had not repossessed any collateral.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.1. Credit risk (Continued)

##### 9.1.5. Loans and advances

The total impairment provision for loans and advances represents both individually impaired loans and loans assessed on a portfolio basis. When entering new markets or new industries to minimize the potential increase of credit risk exposure the Bank focused more on the business with large corporate enterprises or banks with good credit rating or retail customers providing sufficient collateral. Collateral held against impaired loans is maintained at fair value. The valuation of collateral is monitored regularly and is tested after every three years.

##### ***Restructured Loans***

During the year total of BIF 19 billion (2023: BIF 357 billion) loans and advances were renegotiated and restructured.

##### 9.1.6. Investment securities

The investment securities held by the Bank comprise treasury bills and bonds issued by the Government of Burundi. All these investments were neither past due nor impaired. These investment securities are held with the Governments with good financial standing and no history of default. They are not rated.

##### 9.1.7. Concentration of risks of financial assets with credit risk exposure

The following tables break down the Bank's main credit exposure at their carrying amounts as categorized by industry sector and geographical sectors as of 31 December 2024.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.1. Credit risk (Continued)

##### 9.1.8 Concentration of risks of financial assets with credit risk exposure

(a) *Industry sectors*

31 December 2024	Financial institutions	Manufacturing	Local and Central Government	Trading	Transport and communication	Hotel and Restaurant	Agriculture	Individuals	Others	Total
	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000
<b>On Balance sheet items</b>										
Cash and balances with Central Banks	-	-	241 064 270	-	-	-	-	-	-	241 064 270
Loans and advances to banks	182 273 910	-	-	-	-	-	-	-	-	182 273 910
Government securities	-	413 491 041	-	-	-	-	-	-	-	413 491 041
Loans and advances to customers (Gross)	26 190 308	107 006 296	26 971 086	70 394 430	54 969 373	788 501	466 419 586	121 824 442	47 095 465	921 659 487
Other assets*	-	-	-	-	-	-	-	-	10 250 933	10 250 933
<b>Total</b>	<b>208 464 218</b>	<b>107 006 296</b>	<b>681 526 397</b>	<b>70 394 430</b>	<b>54 969 373</b>	<b>788 501</b>	<b>466 419 586</b>	<b>121 824 442</b>	<b>57 346 398</b>	<b>1 768 739 641</b>
<b>Off-Balance sheet items</b>										
Guarantees and indemnities	-	-	-	769 102	-	-	-	-	1 480 022	2 249 124
Letters of credit	-	-	-	-	-	-	-	-	-	-
Commitment to extend credit	21 800 000	19 872 176	-	9 228 778	30 648 468	66 111	412 684	2 070 047	4 643 361	88 741 625
Capital Commitments	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>21 800 000</b>	<b>19 872 176</b>	<b>-</b>	<b>9 997 880</b>	<b>30 648 468</b>	<b>66 111</b>	<b>412 684</b>	<b>2 070 047</b>	<b>6 123 382</b>	<b>90 990 749</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**9. FINANCIAL RISK MANAGEMENT (Continued)  
9.1. Credit risk (Continued)**

(a) *Industry sectors (Continued)*

31 December 2023	Financial institutions BIF 000	Manufacturing BIF 000	Government BIF 000	Trading BIF 000	Transport and communication BIF 000	Hotel and Restaurant BIF 000	Agriculture BIF 000	Individuals BIF 000	Others BIF 000	Total BIF 000
<b>On Balance sheet items</b>										
Cash and balances with Central Banks	-	-	75 229 373	-	-	-	-	-	-	75 229 373
Loans and advances to banks	63 089 063	-	-	-	-	-	-	-	-	63 089 063
Government securities	-	250 249 470	-	-	-	-	-	-	-	250 249 470
Loans and advances to customers (Gross)	11 511 543	49 767 196	41 844 274	25 513 714	3 438 306	340 644	418 307 692	113 344 271	21 763 893	685 831 534
Other assets*	-	-	-	-	-	-	-	-	17 700 871	17 700 871
<b>Total</b>	<b>74 600 606</b>	<b>49 767 196 367 323 117</b>	<b>25 513 714</b>	<b>3 438 306</b>	<b>340 644</b>	<b>418 307 692</b>	<b>113 344 271</b>	<b>39 464 764</b>	<b>1 092 100 310</b>	
<b>Off-Balance sheet items</b>										
Guarantees and indemnities	-	6 043	-	344 513	-	-	-	-	1 344 383	1 694 939
Letters of credit	-	-	1 726 518	856 833	-	81 675 464	-	-	84 258 815	87 461 622
Commitment to extend credit	6 821 000	-	6 544 600	400 000	100 000	3 625 000	2 933 725	-	905 000	21 329 325
Capital Commitments	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6 827 043</b>	<b>-</b>	<b>8 615 631</b>	<b>1 256 833</b>	<b>100 000</b>	<b>85 300 464</b>	<b>2 933 725</b>	<b>2 249 383</b>	<b>107 283 079</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued) 9.1. Credit risk (Continued)

(b) Geographical sectors

31 December 2024	Tanzania BIF 000	Europe BIF 000	America BIF 000	Burundi BIF 000	Others BIF 000	Total BIF 000
<b>On Balance sheet items</b>						
Balances with Central Bank	-	-	-	241 064 270	-	241 064 270
Loans and advances to banks	133 049 274	1 251 606	-	47 922 295	50 735	182 273 910
Government securities	-	-	-	413 491 041	-	413 491 041
Loans and advances to customers (Gross)	-	-	-	921 659 487	-	921 659 487
Other assets	-	-	-	10 250 933	-	10 250 933
<b>Total</b>	<b>133 049 274</b>	<b>1 251 606</b>	<b>-</b>	<b>1 634 388 026</b>	<b>50 735</b>	<b>1 768 739 641</b>
<b>Off balance sheet items</b>						
Guarantees and indemnities	-	-	-	2 249 124	-	2 249 124
Letters of credit	-	-	-	-	-	-
Commitment to extend credit	-	-	-	88 741 625	-	88 741 625
Capital Commitment	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90 990 749</b>	<b>-</b>	<b>90 990 749</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**9. FINANCIAL RISK MANAGEMENT (Continued)**  
**9.1. Credit risk (Continued)**

(b). Geographical sectors (Continued)

<b>31 December 2023</b>	<b>Tanzania BIF 000</b>	<b>Europe BIF 000</b>	<b>America BIF 000</b>	<b>Burundi BIF 000</b>	<b>Others BIF 000</b>	<b>Total BIF 000</b>
<b>On Balance sheet items</b>						
Balances with Central Bank	-	-	-	75 229 373	-	75 229 373
Loans and advances to banks	1 652 581	2 234 750	-	59 137 469	64 262	63 089 063
Government securities	-	-	-	250 249 470	-	250 249 470
Loans and advances to customers (Gross)	-	-	-	685 831 534	-	685 831 534
Other assets	-	-	-	17 700 871	-	17 700 871
<b>Total</b>	<b>1 652 581</b>	<b>2 234 750</b>	<b>-</b>	<b>1 088 148 717</b>	<b>64 262</b>	<b>1 092 100 311</b>
<b>Off balance sheet items</b>						
Guarantees and indemnities	-	-	-	1 694 938	-	1 694 938
Letters of credit	-	-	-	86 419 607	-	86 419 607
Commitment to extend credit	-	-	-	21 329 325	-	21 329 325
Capital Commitment	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109 443 870</b>	<b>-</b>	<b>109 443 870</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.2 Market risk

The Bank take on exposure to market risks which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate currency and equity products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates foreign exchange rates and equity prices.

The market risks are concentrated in Bank Treasury and monitored by the Risk and Compliance department separately. Regular reports are submitted to the Board of Directors and Management. Trading portfolios include those positions arising from market-making transactions where the Bank acts as principal with clients or with the market.

##### 9.2.1 Market risk measurement techniques

The objective of market risk measurement is to manage and control market risk exposures within acceptable limits while optimizing the return on risk. The Bank Risk and Compliance department is responsible for the development of detailed risk management policies while Treasury is responsible for day-to-day implementation of those policies.

The Bank applies interest rate gap coupled with Earning at Risk and stress testing analysis in measuring exposure to market risk for the purpose of managing and controlling market risk exposures within acceptable limits while optimizing the return on investment.

##### 9.2.2 Foreign exchange 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 aggregate for both overnight and intra-day positions which are monitored on daily basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**9. FINANCIAL RISK MANAGEMENT (Continued)**

**9.2 Market risk (Continued)**

**9.2.2 Foreign exchange risk (Continued)**

**Concentrations of currency risk – on- and off-balance sheet financial instruments**

<b>As at 31 December 2024</b>	<b>BIF 000</b>	<b>USD 000</b>	<b>EURO 000</b>	<b>GBP 000</b>	<b>TZS 000</b>	<b>Total 000</b>
<b>Assets</b>						
Cash and balances with Central Banks	93 909 507	143 617 910	3 535 206	1 647	-	241 064 270
Loans and advances to banks	47 885 857	129 486 725	3 584 585	1 535	1 315 208	182 273 910
Loans and advances to customers (Gross)	351 169 349	570 490 138	-	-	-	921 659 487
Government securities	413 491 041	-	-	-	-	413 491 041
Other assets	8 997 914	1 253 018	-	-	-	10 250 932
<b>Total financial assets</b>	<b>915 453 668</b>	<b>844 847 791</b>	<b>7 119 791</b>	<b>3 182</b>	<b>1 315 208</b>	<b>1 768 739 640</b>
<b>Liabilities</b>						
Deposits from customers	746 492 453	87 101 134	8 783 976	3 884	-	842 381 447
Deposits from banks	4 952 217	222 835 944	-	-	-	227 788 161
Other liabilities	9 207 874	158 858	4 497	43	2 318 951	11 958 223
Short term borrowings	-	178 819 107	-	-	-	178 819 107
Long term borrowings	-	387 923 885	-	-	-	387 923 885
Subordinated debt	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>760 652 544</b>	<b>876 838 928</b>	<b>8 788 473</b>	<b>3 927</b>	<b>2 318 951</b>	<b>1 648 602 823</b>
Net on-balance sheet financial position	154 801 125	(31 991 136)	(1 668 682)	(745)	(1 003 743)	120 136 818
<b>Off balance sheet commitments</b>	<b>89 729 685</b>	<b>205 254</b>	<b>1 055 810</b>	<b>-</b>	<b>-</b>	<b>90 990 749</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.2 Market risk (Continued)

#### 9.2.2 Foreign exchange risk (Continued)

#### Concentrations of currency risk – on- and off-balance sheet financial instruments (Continued)

As at 31 December 2023	BIF 000	USD 000	EURO 000	GBP 000	TZS 000	Total 000
<b>Assets</b>						
Cash and balances with Central Banks	20 174 840	52 694 236	2 359 678	619	-	75 229 373
Loans and advances to banks	59 177 616	1 672 584	2 235 540	3 324	-	63 089 063
Loans and advances to customers (Gross)	219 280 204	466 551 330	-	-	-	685 831 534
Government securities	250 249 470	-	-	-	-	250 249 470
Other assets	1 921 365	15 779 506	-	-	-	17 700 871
<b>Total financial assets</b>	<b>550 803 495</b>	<b>536 697 656</b>	<b>4 595 218</b>	<b>3 943</b>	<b>1 092 100 312</b>	
<b>Liabilities</b>						
Deposits from customers	442 519 524	164 237 736	4 388 316	5 397	-	611 150 973
Deposits from banks	14 802 503	91 807 934	168 301	-	32 388	106 811 126
Other liabilities	7 649 671	266 839	158	44	11	7 916 723
Short term borrowings	-	231 011 014	-	-	-	231 011 014
Long term borrowings	-	53 488 170	-	-	-	53 488 170
Subordinated debt	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>464 971 698</b>	<b>540 811 693</b>	<b>4 556 775</b>	<b>5 441</b>	<b>32 399</b>	<b>1 010 378 006</b>
Net on-balance sheet financial position	85 831 797	(4 114 037)	38 443	(1 498)	(32 399)	81 722 306
<b>Off balance sheet commitments</b>	<b>407 785</b>	<b>87 242 166</b>	<b>464 594</b>	<b>-</b>	<b>-</b>	<b>88 114 545</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.3. Price risk

The Bank is not exposed to equity securities price risk as it did not hold shares in other listed companies.

#### 9.4. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. 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 produce losses in the event that unexpected movements arise. The Bank's Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken which is regularly monitored by an independent Risk and Compliance department and reported regularly to ALCO and the Board.

#### 31 December 2024

bearing	Interest bearing BIF 000	Non-interest Total BIF 000	BIF 000
<b>Assets</b>			
Cash and balances with Central banks	-	241 064 270	241 064 270
Government securities	413 491 041	-	413 491 041
Loans and advances to banks	182 273 910	-	182 273 910
Loans and advances to customers (Gross)	921 659 487	-	921 659 487
Other assets	-	10 250 933	10 250 933
<b>Total financial assets</b>	<b>1 517 424 438</b>	<b>251 315 203</b>	<b>1 768 739 641</b>
<b>Liabilities</b>			
Deposits from banks	-	227 788 161	227 788 161
Deposits from customers	842 381 447	-	842 381 447
Short term borrowings	178 819 108	-	178 819 108
Long term borrowings	387 923 885	-	387 923 885
Subordinated debt	-	-	-
Other liabilities	-	11 958 223	11 958 223
<b>Total financial liabilities</b>	<b>1 409 124 439</b>	<b>239 746 384</b>	<b>1 648 870 823</b>
<b>Total interest gap</b>	<b>108 299 999</b>		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.4. Interest rate risk (Continued)

31 December 2023	Interest bearing BIF 000	Non-interest bearing BIF 000	Total BIF 000
<b>Assets</b>			
Cash and balances with Central banks	-	75 229 373	75 229 373
Government securities	250 249 470	-	250 249 470
Loans and advances to banks	63 089 063	-	63 089 063
Loans and advances to customers (Gross)	685 831 534	-	685 831 534
Other assets	-	17 700 871	17 700 871
<b>Total financial assets</b>	<b>999 170 067</b>	<b>92 930 244</b>	<b>1 092 100 311</b>
<b>Liabilities</b>			
Deposits from banks	-	106 811 127	106 811 127
Deposits from customers	611 150 973	-	611 150 973
Short term borrowings	231 011 014	-	231 011 014
Long term borrowings	53 488 170	-	53 488 170
Subordinated debt	-	-	-
Other liabilities	-	7 916 723	7 916 723
<b>Total financial liabilities</b>	<b>895 650 157</b>	<b>114 727 850</b>	<b>1 010 378 007</b>
<b>Total interest gap</b>	<b>103 519 910</b>		

#### 9.5. Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

##### **Liquidity risk management process**

The Bank's liquidity management process as carried out within the Bank and monitored by the Asset and Liability Committee (ALCO) of the individual banks include:

- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The Bank maintain an active presence in money markets to enable this to happen;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash-flow;
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.
- Monitoring and reporting take the form of cash flow measurement and projections for the next day week and month respectively as these are key periods for liquidity management.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.5. Liquidity risk (Continued)

##### 9.5.1. Funding approach

The Bank's major source of funding is customer deposits. To this end the Bank maintains a diversified and stable funding base comprising current/demand savings and time deposits. The Bank places considerable importance on the stability of these deposits which is achieved through the Bank's retail banking activities and by maintaining depositor confidence in the Bank's business strategies and financial strength.

The Bank borrows from the interbank market through transactions with other Banks for short term liquidity requirements. As part of the contingency funding plan the Bank has funding lines with both local and foreign banks for short term funding requirements.

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash central bank balances items in the course of collection treasury and other eligible bills; loans and advances to banks; and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

##### 9.5.1.1. Analysis of financial assets and liabilities by remaining contractual maturities

31 December 2024	Up to 3 months BIF 000	3-12 months BIF 000	Over 1-year BIF 000	Total BIF 000
Liabilities				
Deposits from customers	615 016 734	225 348 713	2 016 000	842 381 447
Deposits from banks	227 788 161	-	-	227 788 161
Subordinated debt	-	-	-	-
Short term borrowings	175 175 370	3 643 737	-	178 819 107
Long term borrowings	-	-	387 923 885	387 923 885
Other liabilities**	1 225 916	10 461 506	2 801	11 690 223
	-----	-----	-----	-----
<b>Total financial liabilities (contractual maturity dates)</b>	<b>1 019 206 181</b>	<b>239 453 956</b>	<b>389 942 686</b>	<b>1 648 602 823</b>
	-----	-----	-----	-----
<b>Total financial assets (Expected maturity dates)</b>	<b>443 853 225</b>	<b>224 219 774</b>	<b>1 100 666 642</b>	<b>1 768 739 641</b>
	=====	=====	=====	=====
<b>31 December 2023</b>				
	<b>Up to 3 months BIF 000</b>	<b>3-12 months BIF 000</b>	<b>Over 1-year BIF 000</b>	<b>Total BIF 000</b>
Liabilities				
Deposits from customers	474 289 978	134 714 995	2 146 000	611 150 973
Deposits from banks	106 811 127	-	-	106 811 127
Subordinated debt	-	-	-	-
Short term borrowings	27 989 878	203 021 136	-	231 011 014
Long term borrowings	-	-	53 488 170	53 488 170
Other liabilities**	1 430 193	5 398 048	1 088 482	7 916 723
	-----	-----	-----	-----
<b>Total financial liabilities (contractual maturity dates)</b>	<b>610 521 176</b>	<b>343 134 179</b>	<b>56 722 652</b>	<b>1 010 378 007</b>
	-----	-----	-----	-----
<b>Total financial assets (expected maturity dates)</b>	<b>138 318 437</b>	<b>3 787 098</b>	<b>949 994 776</b>	<b>1 092 100 311</b>
	=====	=====	=====	=====



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 9.5. Liquidity risk (Continued)

##### 9.5.1.1. Analysis of financial assets and liabilities by remaining contractual maturities (Continued)

#### Collateral

The Bank pledges part of its Treasury bills and bonds in order to fulfil the collateral requirements of various short-term borrowings from other banks. As at 31 December 2024 there were neither bills nor bonds that were pledged by the Bank to the Central Bank.

#### 9.5.2. Off-balance sheet items liquidity risk

##### Loan commitments

The dates of the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities are summarised in the table below.

- *Financial guarantees and other financial facilities:* Financial guarantees are included below based on the earliest period required to pay.
- *Capital commitments:* These relate to the acquisition of property and equipment.

The table below shows a summary of off-balance sheet items:

<b>31 December 2024</b>	<b>No later than 1 year BIF 000</b>	<b>1 – 5 years BIF 000</b>	<b>Over 5 years BIF 000</b>	<b>Total BIF 000</b>
Outstanding letters of credit	-	-	-	-
Guarantees and indemnities	2 249 124	-	-	2 249 124
Commitments to extend credit	88 741 625	-	-	88 741 625
Capital Commitment	-	-	-	-
<b>Total commitments</b>	<b>90 990 749</b>	<b>-</b>	<b>-</b>	<b>90 990 749</b>
<hr/>				
<b>31 December 2023</b>	<b>No later than 1 year BIF 000</b>	<b>1 – 5 years BIF 000</b>	<b>Over 5 years BIF 000</b>	<b>Total BIF 000</b>
Outstanding letters of credit	86 419 607	-	-	86 419 607
Guarantees and indemnities	1 694 939	-	-	1 694 939
Commitments to extend credit	21 329 325	-	-	21 329 325
Capital Commitment	-	-	-	-
<b>Total commitments</b>	<b>109 443 871</b>	<b>-</b>	<b>-</b>	<b>109 443 871</b>

### 10. Fair value Measurement

The bank measures financial instruments such as equity investments and debt instruments at FVTPL and FVOCI investment securities at fair value at each reporting date. Fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the bank.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 10. Fair value Measurement (Continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

The bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

When one is available, the bank measures the fair value of an instrument using the quoted price in an active market for that instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 financial instruments: Those financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on market prices or dealer price quotations. This includes listed equity securities and debt instruments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

Level 2 financial instruments: Where the fair value of financial instruments is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, FX rates, volatilities, and counterparty spreads) existing at the balance sheet date.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at FVOCI. The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model based on contractually agreed cash flows, considering credit quality, liquidity, and costs. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets at the reporting date without any deduction for transaction costs.

The bank's fair value methodology and the governance over its models includes several controls and other procedures to ensure appropriate measures are in place to ensure its quality and adequacy. All new product initiatives including their valuation methodologies are subject to approvals by various functions of the bank including Risk Department and Finance. The responsibility of ongoing measurement resides with Finance which reports to the MD.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 10. Fair value Measurement (Continued)

The fair value estimates are being validated by:

- Benchmarking prices against observable market prices or other independent sources
- Evaluating and validating input parameters

Gains or losses on valuation of FVOCI are recognised in other comprehensive income. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

For fair value disclosures, the bank has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Transfers between levels of the fair value hierarchy are recognized by the bank at the end of the reporting period during which the change occurred.

The fair value of financial instrument is generally measured on individual basis however when the bank manages a group of financial assets and liabilities on the basis of its net market or credit risk exposure (as defined in IFRS 7), the bank can opt to measure the fair value of that group on the basis of the net position (that is, the net position is the unit of account that is being measured at fair value, not the individual financial assets and liabilities). The underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the IFRS offsetting criteria.

The Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Bank's financial instruments such as credit risk, own credit and/or funding costs.

Therefore, the Bank applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, to reflect the credit risk of the individual counterparties for non-collateralized financial instruments.

The Bank estimates the value of its own credit from market observable data, such as secondary prices for its traded debt.

The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments, when necessary, based on the facts at the end of the reporting period.

#### 11. Capital management

The Bank's objectives for managing capital which is a broader concept than the 'equity' on the face of balance sheets are:

- To comply with the capital requirements set by the Central Bank i.e. Bank of the Republic of Burundi;
- 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; and

To maintain a strong capital base to support the development of its business

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management employing techniques based on the guidelines developed by the Basel Committee as implemented by the Bank of Burundi for supervisory purposes. The required information is filed with the Central Bank on a monthly basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 11. Capital management (Continued)

The Central Bank requires the Banking institution to:

- a) hold the minimum level of core capital of BIF 10 billion;
- b) maintain a ratio of core capital to the risk-weighted assets plus risk-weighted off-balance sheet assets (the 'Basel ratio') at or above the required minimum of 12.5%; and
- c) Maintain total capital of not less than 14.5% of risk-weighted assets plus risk-weighted off-balance sheet items.

The Bank's regulatory capital as managed by its Finance department is divided into two tiers:

- Tier 1 capital: share capital retained earnings and reserves created by appropriations of retained earnings. Intangible assets and Deferred tax asset are deducted in arriving at Tier 1 capital; and
- Tier 2 capital: qualifying subordinated loan capital revaluation reserve and loan portfolio general provision.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of – and reflecting an estimate of credit market and other risks 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.

The table below summarises the composition of regulatory capital and the ratios of the Bank for the year ended 31 December 2024 and year ended 31 December 2023. During those two periods the Bank complied with all the externally imposed capital requirements to which they are subject.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 9. FINANCIAL RISK MANAGEMENT (Continued)

#### 11. Capital management (Continued)

	31 December 2024 BIF 000	31 December 2023 BIF 000
<b>Tier 1 capital</b>		
Share capital	48 027 000	25 670 500
Retained earnings	22 410 959	12 962 734
50% of Current Profit	22 258 015	15 747 040
Legal reserves	4 208 411	2 633 706
Deferred tax asset	(705 865)	(2 937 201)
Intangible assets	(544 651)	(669 029)
Investment Reserves	23 753 643	14 305 419
	-----	-----
<b>Total qualifying Tier 1 capital</b>	<b>119 407 511</b>	<b>67 713 169</b>
<b>Tier 2 capital</b>		
General banking reserve	3 122 391	723 036
Subordinated debt	-	-
Revaluation reserve	-	-
	-----	-----
<b>Total qualifying Tier 2 capital</b>	<b>3 122 391</b>	<b>723 036</b>
	-----	-----
<b>Total regulatory capital</b>	<b>122 529 902</b>	<b>68 436 205</b>
<b>Risk-weighted assets</b>		
On-balance sheet	569 385 085	247 736 998
Off-balance sheet Items	303,650	129 598
Market risk	27 940 415	13 508 524
Operational risk	82 367 638	53 094 574
	-----	-----
<b>Total risk-weighted assets</b>	<b>675 996 788</b>	<b>314 469 695</b>
<b>Required ratio</b>		
	<b>Regulatory</b>	<b>2024</b>
	<b>%</b>	<b>%</b>
Tier 1 capital (Hard core capital)	11.0	14.2
Tier 2 capital (Core capital)	12.5	17.6
	-----	-----
<b>Total capital</b>	<b>14.5</b>	<b>18.00</b>
	-----	-----

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 12. INTEREST INCOME

	31 December 2024 BIF 000	31 December 2023 BIF 000
Placements in other banks	7 496 892	1 632 081
Loans and overdrafts	89 240 393	52 072 154
Treasury bills and bonds	26 027 968	24 508 356
<b>Total</b>	<b>122 765 253</b>	<b>78 212 591</b>

Interest income increased by BIF 44 552 662 thousand (57%) mainly due to assets growth during 2024.

### 13. INTEREST EXPENSE

	31 December 2024 BIF 000	31 December 2023 BIF 000
Current account	4 347 458	5 229 150
Saving deposits	3 472 111	2 643 559
Term deposits	4 572 218	2 467 603
Other borrowings	39 134 293	23 462 666
<b>Total</b>	<b>51 526 080</b>	<b>33 802 978</b>

Interest expense increased by BIF 17 723 102 thousand (52%) mainly due to growth of borrowing 2024.

### 14. FEE AND COMMISSION INCOME

	31 December 2024 BIF 000	31 December 2023 BIF 000
Commissions and service charges	7 663 054	6 528 403
Recoveries	61 691	66 340
<b>Total</b>	<b>7 724 745</b>	<b>6 594 743</b>

Fees and Commissions have increased by BIF 1 130 002 thousand (17%) mainly due to service charges and commissions during 2024.

### 15. NET TRADING INCOME

	31 December 2024 BIF 000	31 December 2023 BIF 000
Exchange gains -Trading	4 568 091	3 096 227
Commissions on Nostro transactions	12 584 329	9 460 708
<b>Total</b>	<b>17 152 419</b>	<b>12 556 935</b>

Net trading income have increased by BIF 4 595 485 thousand (37%) compared to 2023 mainly on increasing foreign currency transactions.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 16. FEES AND COMMISSION EXPENSE

	31 December 2024 BIF 000	31 December 2023 BIF 000
Commissions on nostro transactions	1 283 002	550 647
<b>Total</b>	<b>1 283 002</b>	<b>550 647</b>

The commission expenses increased by BIF 732 354 thousand (133%) compared to 2023 mainly because of foreign currency repatriation.

### 17. STAFF EXPENSES

	31 December 2024 BIF 000	31 December 2023 BIF 000
Wages and salaries	5 043 590	3 763 090
Social security costs	275 494	234 730
Medical Fees	586 583	103 113
Staff welfare	494 137	289 590
Other benefits	6 829 706	5 239 748
<b>Total</b>	<b>13 229 510</b>	<b>9 630 271</b>

Staff expenses have increased by BIF 3 599 239 thousand (37%) compared to 2023 mainly due to growth of number of staff.

### 18. OTHER OPERATING EXPENSES

	31 December 2024 BIF 000	31 December 2023 BIF 000
Travelling Local & Abroad	4 825 600	2 901 384
Amortisation of Right of Use/Rent	919 854	175 484
Maintenance - Office-Equipment	222 877	135 770
Maintenance - Vehicles	210 691	99 565
Maintenance- Buildings	219 358	79 630
Fuel and Lubricants	443 428	264 208
Marketing	2 182 698	1 375 519
Telephone& Fax	159 181	66 377
Hired Services	1 068 157	815 729
Printing and Stationery	381 868	230 672
Communication Costs	357 010	274 169
Insurance	431 095	267 722
Software License	372 519	64 390
Entertainment	341 081	190 649
Subscriptions	91 519	79 054

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 18. OTHER OPERATING EXPENSES (Continued)

	31 December 2024 BIF 000	31 December 2023 BIF 000
Water and Electricity	273 685	155 209
Consultancy Fees	493 741	542 012
Taxes and Levies	7 600 491	2 783 847
Simbanking	78 713	62 152
Training fees	890 071	473 534
Directors' fees	616 497	458 592
Board Expenses	2 156 685	1 494 819
Visa cards expenses	825 597	417 333
Transfer pricing	2 234 077	1 475 267
Other fees and charges	1 928 410	1 173 298
	-----	-----
	<b>Total 29 324 907</b>	<b>16 056 385</b>
	=====	=====

Administration expenses increased by BIF 13 268 522 thousand (83%) compared to 2023 mainly due to the new tax on operating income and BIF devaluation effects on the fx denominated expenses like travelling abroad training and transfer pricing.

### 19. GENERAL PROVISIONS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Provisions for bad loans	3 707 564	3 070 493
Provision for other assets	177 844	60 696
	-----	-----
<b>Total</b>	<b>3 885 408</b>	<b>3 131 189</b>
	=====	=====

General Provisions have increased by BIF 754 218 thousand (24%) compared to 2023. The growth in provision is largely for unclassified loans due to portfolio growth.

### 20. INCOME TAX

	31 December 2024 BIF 000	31 December 2023 BIF 000
Development Tax	-	861 192
Corporate Tax	2 377 647	712 914
	-----	-----
	<b>2 377 647</b>	<b>1 574 106</b>
	=====	=====

Tax expense increased by BIF 803 541 thousand (51%) compared to 2023 in line with the profitability growth.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 21. CASH AND BALANCES WITH CENTRAL BANK

	31 December 2024 BIF 000	31 December 2023 BIF 000
Cash in hand	17 960 786	12 784 797
Due from central bank	223 103 485	62 444 577
<b>Total</b>	<b>241 064 270</b>	<b>75 229 373</b>

Cash and balances with the central bank increased by BIF (165 834 896) thousand (220%) compared to 2023 mainly due to matured placements that could not be invested in the same month.

### 22. BALANCES DUE FROM OTHER BANKING INSTITUTIONS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Due from Other Banks	182 273 910	63 089 063
<b>Total</b>	<b>182 273 910</b>	<b>63 089 063</b>

Balances with other banks increased by BIF (119 184 847) thousands (189%) in 2024 compared to 2023.

### 23. TREASURY BILLS AND BONDS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Treasury bills	166 316 659	16 739 259
Treasury bonds	238 806 159	225 700 973
Interest Receivable Treasury Bonds	8 368 224	7 809 238
<b>Total</b>	<b>413 491 041</b>	<b>250 249 470</b>

The maturity profile of Government securities was as follows:

	31 December 2024 BIF 000	31 December 2023 BIF 000
Maturity within 30 days	15 443 854	6 537 565
Maturity after 30 days but within 90 days	47 699 391	6 439 544
Maturity after 90 days but within 180 days	34 639 043	6 070 323
Maturity after 180 days but within 364 days	66 953 813	48 098 603
Maturity above 364 days	248 754 940	183 103 436
<b>Total</b>	<b>413 491 041</b>	<b>250 249 470</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 24. LOANS AND OVERDRAFTS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Term loans	797 729 434	641 870 060
Overdrafts	95 908 592	23 376 992
Staff loans	8 719 392	4 765 708
	-----	-----
<b>Loan outstanding</b>	<b>902 357 418</b>	<b>670 012 760</b>
Interest receivable	19 302 070	15 818 774
	-----	-----
<b>Gross loans and advances to customers</b>	<b>921 659 487</b>	<b>685 831 534</b>
Less: Provision for impairment	(8 219 393)	(561 122)
	-----	-----
<b>Net loans and advances to customers</b>	<b>913 440 095</b>	<b>685 270 412</b>
Less: Interest in suspense	(1 457 838)	(336 491)
	-----	-----
<b>Net loans and advances to customers</b>	<b>911 982 257</b>	<b>684 933 921</b>
	=====	=====

The credit portfolio increased significantly by BIF 227 048 336 thousand (33%) compared to 2023. The growth was driven mostly by corporate loans.

#### The maturity profile of loans and overdrafts

The maturity analysis is based on the remaining periods to contractual maturity from year end.

	31 December 2024 BIF 000	31 December 2023 BIF 000
Maturing within 1 months	3 346 053	10 225 142
Maturing after 1 month but within 3 months	65 785 030	48 525 322
Maturing after 3 months but within 12 months	13 011 253	13 229 348
Maturity after 1 year but within 5 years	611 140 077	480 878 144
Maturity over 5 years	218 699 844	132 075 965
	-----	-----
<b>Outstanding loans and advances to customers</b>	<b>911 982 257</b>	<b>684 933 921</b>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

**25. PROPERTY AND EQUIPMENT**

	Freehold Land	Buildings	Office Equipment	Furniture & Fittings	Computer Equipment	Motor Vehicles	Smart Cards Equipments	Security Equipment	Capital WIP	Total
	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000	BIF 000
<b>Cost</b>										
At 1st January 2023	3 632 060	5 642 009	1 880 525	563 488	772 692	1 055 250	673 685	100 019	1 475 772	15 795 500
Additions	-	-	472 382	170 473	187 876	556 118	1 276 877	85 071	7 280 427	10 029 225
Disposals/ transfers	-	-	-	-	-	-	-	-	(506 467)	(506 467)
<b>At 31 Dec 2023</b>	<b>3 632 060</b>	<b>5 642 009</b>	<b>2 352 907</b>	<b>733 961</b>	<b>960 568</b>	<b>1 611 368</b>	<b>1 950 562</b>	<b>185 090</b>	<b>8 249 732</b>	<b>25 318 257</b>
Additions	934 538	-	756 106	181 292	531 517	1 753 138	903 545	45 369	8 960 868	14 066 373
Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals/ transfers	-	-	-	-	-	(374 462)	-	-	(4 642 911)	(5 017 373)
<b>At 31 Dec 2024</b>	<b>4 566 598</b>	<b>5 642 009</b>	<b>3 109 013</b>	<b>915 253</b>	<b>1 492 085</b>	<b>2 990 044</b>	<b>2 854 107</b>	<b>230 459</b>	<b>12 567 689</b>	<b>34 367 257</b>
<b>Depreciation</b>										
<b>At 1 Jan 2023</b>	<b>-</b>	<b>(1 045 753)</b>	<b>(1 204 562)</b>	<b>(196 748)</b>	<b>(511 870)</b>	<b>(414 497)</b>	<b>(214 929)</b>	<b>(7 174)</b>	<b>-</b>	<b>(3 595 533)</b>
Adjustments	-	(3)	(75 033)	7 193	(27 886)	(13 822)	-	-	-	(109 551)
Charge for the period	-	(140 734)	(214 818)	(54 293)	(91 767)	(129 278)	(145 285)	(31 072)	-	(807 247)
<b>At 31 Dec 2023</b>	<b>-</b>	<b>(1 186 490)</b>	<b>(1 494 413)</b>	<b>(243 848)</b>	<b>(631 523)</b>	<b>(557 597)</b>	<b>(360 214)</b>	<b>(38 246)</b>	<b>-</b>	<b>(4 512 331)</b>
Adjustments	-	-	(337)	-	-	-	-	-	-	(337)
Charge for the period	-	(140 822)	(317 863)	(70 125)	(159 774)	(290 151)	(278 208)	(39 796)	-	(1 296 739)
Eliminated on disposal	-	-	(3)	(1)	(2)	323 803	1	(1)	-	323 800
<b>At 31 Dec 2024</b>	<b>-</b>	<b>(1 327 312)</b>	<b>(1 812 616)</b>	<b>(313 972)</b>	<b>(791 299)</b>	<b>(523 944)</b>	<b>(638 421)</b>	<b>(78 043)</b>	<b>-</b>	<b>(5 485 607)</b>
<b>At 31 Dec 2024</b>	<b>4 566 598</b>	<b>4 314 697</b>	<b>1 296 397</b>	<b>601 281</b>	<b>700 786</b>	<b>2 466 100</b>	<b>2 215 686</b>	<b>152 416</b>	<b>12 567 689</b>	<b>28 881 650</b>
<b>At 31 Dec 2023</b>	<b>3 632 060</b>	<b>4 455 519</b>	<b>858 494</b>	<b>490 113</b>	<b>329 045</b>	<b>1 053 771</b>	<b>1 590 348</b>	<b>146 844</b>	<b>8 249 732</b>	<b>20 805 926</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 26. INTANGIBLE ASSETS

	31 December 2024 BIF 000	31 December 2023 BIF 000
<b>Cost</b>		
Opening balance	3 434 332	3 418 651
Additions	-	15 681
	-----	-----
<b>Closing balance</b>	<b>3 434 332</b>	<b>3 434 332</b>
<b>Amortisation</b>		
Opening balance	2 765 303	2 625 721
Charge for the period	124 378	139 579
	-----	-----
<b>Closing balance</b>	<b>2 889 681</b>	<b>2 765 300</b>
<b>Net Book Value</b>	<b>544 651</b>	<b>669 030</b>
	=====	=====

### 27. LEASED PREMISES REFURBISHMENT

	31 December 2024 BIF 000	31 December 2023 BIF 000
<b>Cost</b>		
Opening balance	1 724 581	1 724 581
Additions	667 730	-
Disposals	-	-
	-----	-----
<b>Closing balance</b>	<b>2 392 311</b>	<b>1 724 581</b>
<b>Amortisation</b>		
Opening balance	1 619 736	1 441 950
Adjusted for disposed leasehold	-	-
Charge for the period	78 720	177 786
	-----	-----
<b>Closing balance</b>	<b>1 698 456</b>	<b>1 619 736</b>
<b>Net Book Value</b>	<b>693 855</b>	<b>104 845</b>
	=====	=====

### 28. OTHER ASSETS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Items for clearing	573 572	1 012 474
Prepaid expenses	8 004 891	4 076 597
Other Assets	9 677 360	16 381 170
	-----	-----
<b>Total</b>	<b>18 255 824</b>	<b>21 470 241</b>
Less Provisions	(138 583)	(63 748)
	-----	-----
<b>Net Other Assets</b>	<b>18 117 241</b>	<b>21 406 493</b>
	=====	=====

Compared to 2023 the other assets decreased by BIF (3 289 251) thousand (15%) mainly on derivative assets.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 29. RIGHT OF USE OF ASSET

	31 December 2024 BIF 000	31 December 2023 BIF 000
Leasehold right of use	53 721	218 718
Amortization right of use	(585 844)	(164 457)
	-----	-----
Additions (deductions)	6 472 927	-
Outstanding rights of use	<b>5 940 804</b>	<b>53 721</b>

During the year 2024 the leased properties right of use increased by BIF 5 887 082 thousand (10959%) compared to 2023.

### 30. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	31 December 2024 BIF 000	31 December 2023 BIF 000
Opening Balance	100 000	100 000
Acquisition/(Disposal) during the year	(100 000)	-
	-----	-----
Outstanding Balance	<b>-</b>	<b>100 000</b>

In 2019 the Bank acquired 10 shares of BIF 10 000 000 each from BI-SWITCH Company whose shareholders are the member of the Bankers Association. During the period, the shares were fully impaired and transferred to the BRB as a sole shareholder.

### 31. TAX ASSET

	31 December 2024 BIF 000	31 December 2023 BIF 000
Opening Balance	2 937 202	251 717
Acquisition/(Disposal) during the year	(2 231 337)	2 685 485
	-----	-----
Outstanding Balance	<b>705 865</b>	<b>2 937 202</b>

The tax credit was granted by the Revenue Authority (OBR) in accordance to the Country's Investment Promotion Agency (API). Tax review by OBR was done for the year 2014 to 2017.

### 32. CUSTOMER DEPOSITS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Current A/C (BIF)	578 968 318	343 874 067
Current A/C (Forex)	36 048 416	130 415 910
Savings A/C (BIF)	93 047 543	65 121 945
Savings A/C (Forex)	46 369 534	32 634 462
Term deposits (BIF)	74 476 592	33 531 109
Term deposits (Forex)	13 471 044	5 573 480
	-----	-----
<b>Total</b>	<b>842 381 447</b>	<b>611 150 973</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 32. CUSTOMER DEPOSITS (Continued)

The customers' deposits have increased by BIF 231 230 474 thousand (38%) compared to 2023. The growth was on current account deposits by BIF 140 726 756 thousand (30%) and Savings deposits by BIF 41 660 671 thousand (43%).

### 33. OTHER LIABILITIES

	31 December 2024 BIF 000	31 December 2023 BIF 000
Accrued Expenses	5 490 058	3 763 018
Bills payable	1 225 916	1 430 193
Amounts due to parent company	2 318 939	17 022
Gratuity payable	1 511 344	905 291
Other payables	7 086 254	9 998 450
<b>Total</b>	<b>17 632 511</b>	<b>16 113 974</b>

Other liabilities have increased by BIF 1 518 537 thousand 9% due to the increase in amount due to parent company and Unearned income due to increase of loans disbursed.

### 34. LEASE LIABILITY

	31 December 2024 BIF 000	31 December 2023 BIF 000
Opening	62 578	249 216
Amortization (197 665)	(896 900)	
Interest on right of use	334 010	11 027
Additions (deductions)	6 585 777	-
Outstanding	<b>6 085 465</b>	<b>62 578</b>

During the year 2024 the leased properties liability declined by BIF (6 022 887) thousand (9625%) compared to 2023.

### 35. BORROWINGS

	31 December 2024 BIF 000	31 December 2023 BIF 000
At 1 January	284 499 184	194 792 716
Additions	549 418 514	220 023 219
Interest Charge for the Year	22 368 893	32 971 210
Interest Paid in the Year	(22 278 502)	(23 401 032)
Principal repayment during the year	(267 265 096)	(139 886 931)
At 31 December	<b>566 742 992</b>	<b>284 499 184</b>
Current	178 819 107	231 011 014
Non-current	387 923 885	53 488 170

The Bank has not had any defaults of principal, interest or other breaches regarding borrowings during 2024 or 2023.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### A. CRDB BANK PLC BORROWING

	31 December 2024 BIF 000	31 December 2023 BIF 000
At 1 January	259 508 221	184 432 391
Additions	473 628 773	205 742 669
Interest Charge for the Year	20 624 235	27 574 106
Interest Paid in the Year	(20 850 324)	(21 920 989)
Principal repayment during the year	(245 601 391)	(136 319 956)
	-----	-----
At 31 December	<b>487 309 514</b>	<b>259 508 222</b>

### B. IFC BORROWING

	31 December 2024 BIF 000	31 December 2023 BIF 000
At 1 January	10 710 412	10 360 326
Additions	-	-
Interest Charge for the Year	1 101 597	5 308 247
Interest Paid in the Year	(918 597)	(1 391 186)
Principal repayment during the year	(7 249 675)	(3 566 975)
	-----	-----
At 31 December	<b>3 643 737</b>	<b>10 710 412</b>

In October 2022 the Bank received a disbursement of USD 5 Million from International Finance Corporations (IFC) a three years' facility per the agreement signed between the two institutions in June 2022. The facility aims at supporting Bank's lending program to Eligible Sub-borrowers through Eligible Sub-loans in response to the COVID-19 pandemic as well as SME and Women-Owned SME eligible sub-borrowers.

### C. DRC BORROWING

	31 December 2024 BIF 000	31 December 2023 BIF 000
At 1 January	14 280 550	-
Additions	17 489 940	14 280 550
Interest Charge for the Year	643 060	88 857
Interest Paid in the Year	(509 580)	(88 857)
Principal repayment during the year	(14 414 030)	-
	-----	-----
At 31 December	<b>17 489 940</b>	<b>14 280 550</b>

### D. BRB BORROWING

At 1 January	-	-
Additions	58 299 800	-
Interest Charge for the Year	-	-
Principal repayment during the year	-	-
	-----	-----
At 31 December	<b>58 299 800</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 36. BALANCE DUE TO OTHER BANKS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Opening Balance	116 440 930	22 712 244
Additions (Reduction)	111 347 231	93 728 687
	-----	-----
<b>Closing Balance</b>	<b>227 788 161</b>	<b>116 440 930</b>

Balances due to other banks increased by BIF 111 347 231 thousand (96%)

### 37. SHARE CAPITAL

	31 December 2024 BIF 000	31 December 2023 BIF 000
Opening balance	25 670 500	19 625 000
Addition during the year	22 356 500	6 045 500
	-----	-----
<b>Closing balance</b>	<b>48 027 000</b>	<b>25 670 500</b>

Share Capital increased by BIF 22 356 500 thousand 87% due to shareholders investment.

### 38. STATUTORY RESERVES

	31 December 2024 BIF 000	31 December 2023 BIF 000
<b>Statutory Reserves</b>		
Opening balance	4 244 964	1 415 050
Reduction during the year	(4 096 038)	2 829 914
	-----	-----
<b>Closing balance</b>	<b>148 926</b>	<b>4 244 964</b>
<b>Legal Reserve</b>		
Opening balance	27 962 052	16 939 124
Addition during the year	15 580 612	11 022 928
	-----	-----
<b>Closing balance</b>	<b>43 542 664</b>	<b>27 962 052</b>

The additional reserves include 5% legal reserve and 30% development reserve both from the current year profit.

### 39. RETAINED EARNINGS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Opening balance	33 433 887	20 075 158
Dividends	(11 022 928)	(7 112 423)
Legal Reserves	(15 580 610)	(11 022 928)
Profit for the year	44 516 029	31 494 080
	-----	-----
<b>Closing balance</b>	<b>51 346 378</b>	<b>33 433 887</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 40. OFF BALANCE SHEET ITEMS

	31 December 2024 BIF 000	31 December 2023 BIF 000
Letters of Credit		86 419 607
Guarantees and indemnities	2 249 124	1 694 939
Commitments to extend credit	88 741 625	21 329 325
	-----	-----
<b>Total</b>	<b>90 990 749</b>	<b>109 443 870</b>
ECL	(15 350 358)	(14 428 601)
	-----	-----
<b>Net Off Balance Sheet</b>	<b>75 640 391</b>	<b>95 015 269</b>
	=====	=====

### 41. CASH AND CASH EQUIVALENT

	31 December 2024 BIF 000	31 December 2023 BIF 000
Cash on hand	17 960 786	12 784 797
Balance with central bank	223 103 485	62 444 577
Balance with other banks	182 273 910	63 089 063
Government securities maturity within 90 days	63 143 245	12 977 108
	-----	-----
Balance due to other banks	(227 788 161)	(141 431 893)
	-----	-----
<b>Net Cash and cash equivalent</b>	<b>258 693 265</b>	<b>9 863 652</b>
	=====	=====

The bank recorded an increase in cash and cash equivalent essentially due to increase in balances with the BRB and increase of balances with other banks.

### 42. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

In the normal course of business, a number of banking transactions are entered into with related parties' i.e. key management staff Directors their associates and companies associated with Directors. These include loans of BIF 2 769 571 million and deposits of BIF 1 199 608 million as at 31 December 2024.

Details	Loans BIF 000		Deposits BIF 000	
	2024	2023	2024	2023
Board	165 892	177 091	510 971	621 950
Management	2 603 679	1 273 261	688 637	1 162 380
	-----	-----	-----	-----
<b>Total</b>	<b>2 769 571</b>	<b>1 450 352</b>	<b>1 199 608</b>	<b>1 784 330</b>
	=====	=====	=====	=====

#### Borrowing from the Parent

As at end of December 2024 the bank had an outstanding balance of BIF 487 309 514 thousand borrowing from the Parent Company compared to BIF 259 508 222 thousand at the end of December 2023.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 43. COMMENTS ON THE STANDARDS AND CHART OF ACCOUNTS APPLICABLE TO CREDIT INSTITUTIONS

CRDB Bank Burundi uses the banking chart accounting for the reporting of financial statements to the central bank (BRB Returns). Nonetheless, CRDB Bank Burundi presents the financial statements in accordance with ISA- IFRS.

### 44. STATEMENT OF DEBTS WRITTEN OFF AND THEIR RECOVERIES RELATING THERETO.

The sum of debts charged off as at 31 December 2024 was 100 787 thousand BIF and are monitored off balance sheet. The total amount of recoveries during the period under review was BIF 61 691 thousand.

### 45. COMMENTS ON ASSETS QUALITY

By analysing the structure of assets of CRDB Bank Burundi at 31 December 2024, we noted that on a total balance sheet of 1 803 695 544 thousand BIF, loans and overdrafts represent 1 119 579 044 thousand BIF (61%).

Cash transactions (Cash and balances with central banks, Balances with other Banks, Treasury bills and bonds) represent an amount of 836 829 221 thousand BIF (46.40%), fixed assets represent an amount of 30 120 156 thousand BIF (1.67%), and other assets 24 763 910 BIF (1.37%).

Provisions for unpaid debts at 31 December 2024 represent an amount of BIF 5 245 927 thousand. The NPL at 31 December 2024 represent an amount of 9 277 078 thousand BIF. The loans portfolio deterioration rate is 1.2%

	31 December 2024 BIF 000	31 December 2023 BIF 000
<b>Nonperforming loans</b>		
Pre-Doubtful	2 967 377	565 446
Doubtful	5 251 374	1 172 598
Disputed Debts	1 058 327	450 255
<b>Subtotal</b>	<b>9 277 078</b>	<b>2 188 299</b>
<b>Provision for non-performing loans</b>		
Pre Doubtful	593 475	113 089
Doubtful	2 625 687	586 299
Disputed Debts	1 058 327	450 255
<b>Subtotal</b>	<b>4 277 489</b>	<b>1 149 643</b>
<b>Net non-performing loans</b>	<b>4 999 589</b>	<b>1 038 656</b>
Debt to Monitor	32 281 251	97 780 185
Provision for Debt to Monitor	968 438	2 933 406
<b>Total Provisions for unpaid debts</b>	<b>5 245 927</b>	<b>4 083 049</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

### 46. COMMENTS ON THE OFF BALANCE SHEET.

By analysing the off-balance items at 31 December 2024, we noted that on a total off balance sheet of BIF 90 990 749 thousand. The commitments to extend credit BIF 88 741 625 thousand (97.53%) and the letter of credits represents BIF 2 249 124 thousand (2.47%).

### 47. COMMENTS ON THE RISKS DIVISION

- Loans to related parties (directors and managers)
- The total loans to related parties represents 3% of the core capital while the limit not to exceed is 25%.
- Staff loans
- The total loan granted to staff represents 9% of the core capital while the limit not to exceed is 25%.

### 48. COMMENTS ON THE QUALITY OF LOAN SECURITIES

We reviewed the quality of loan securities of the Bank and found that the securities required by CRDB Bank Burundi when disbursing those credits are adequate as the bank policy require the minimum coverage ratio to be above 125% of the amount of the facility.

These securities mainly consist of salaries, mortgages but also a pledge of goodwill, joint guarantees of shareholders (for corporate) or spouses (for individuals) and collateral deposits. The mortgages are covered by insurance policies.

**PAID UP CAPITAL BIF 48,027,000,000**

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