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BK Group – Analysis at the End Of 2025 Audited Data

4th Floor Grand Pension Plaza,
Kigali RWANDA

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BK GROUP PLC

Financial Results Overview (FY-2025)

This Report provides a summary analysis of BK Group for the full year ended 31 December 2025.

A. Profitability & Efficiency

1. Revenue (Total Operating Income)

Total operating income grew 8.7% year-on-year to RWF 281.1 billion in FY 2025 (FY 2024: RWF 258.7 billion). The primary growth driver was Net Interest Income (NII), which expanded 15.6% to RWF 220.5 billion, underpinned by gross loan book growth of 15.5% and a 5.0% reduction in interest expense to RWF 57.4 billion, reflecting active liability cost management and improving deposit repricing conditions. NII now constitutes 78.4% of total operating income, up from 73.7% in FY 2024.

Net Non-Interest Income (NFI) declined 10.9% to RWF 60.6 billion, driven by a 19.5% contraction in FX income to RWF 16.8 billion, partly normalizing from an elevated prior-year base, and an 8.5% decline in net fee and commission income to RWF 36.6 billion, reflecting competitive pressure and digital channel migration.

2. Gross Profit & Cost of Sales

Pre-provision operating profit rose 9.0% to RWF 174.5 billion (FY 2024: RWF 160.1 billion), reflecting strong top-line growth and disciplined cost management. Total recurring operating costs increased 8.1% to RWF 106.6 billion, in line with revenue growth and consistent with positive operating leverage. Personnel costs grew 13.1% to RWF 45.4 billion and depreciation rose 14.5% to RWF 12.5 billion, while administration and general expenses were broadly flat at RWF 40.7 billion (-0.6%).

3. Operating Profit (EBIT) & Efficiency

The cost-to-income ratio (CIR) improved 20 basis points to 37.9% (FY 2024: 38.1%), marking the third consecutive year below 40%. Gross loan loss provisions declined sharply by 46.2% to RWF 20.9 billion (FY 2024: RWF 38.9 billion), and net impairment on loans fell 49.9% to RWF 17.1 billion, releasing significant provisioning capacity that flowed directly to bottom-line earnings.

4. Finance Costs

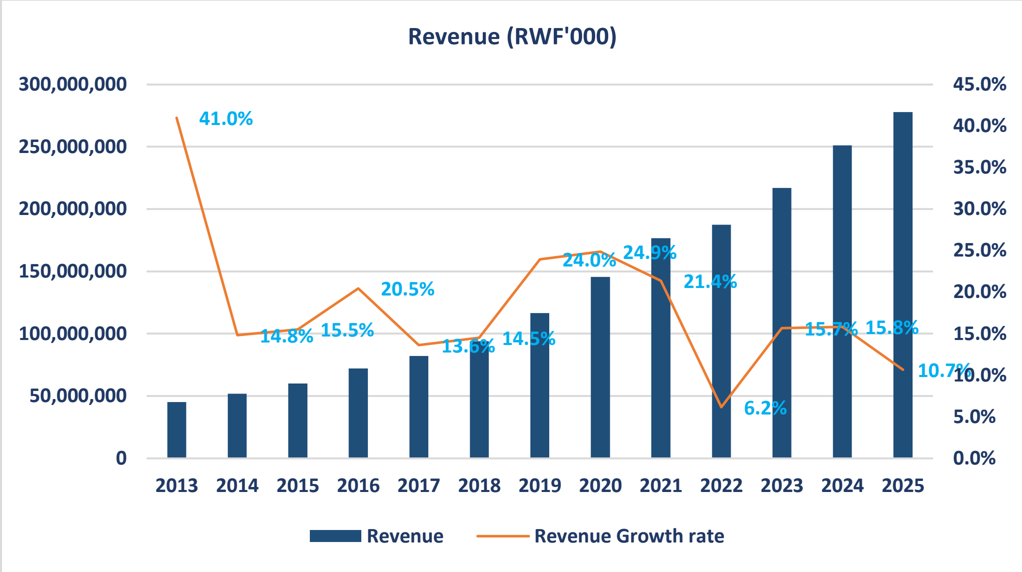
Interest expense declined 5.0% to RWF 57.4 billion (FY 2024: RWF 60.5 billion), driven by active liability repricing as funding costs moderated. The cost of funds improved to 2.7% in FY 2025 from 3.3% in FY 2024, demonstrating effective treasury and deposit management. The ratio of interest expense to interest income decreased to 20.7% from 24.1% in FY 2024.

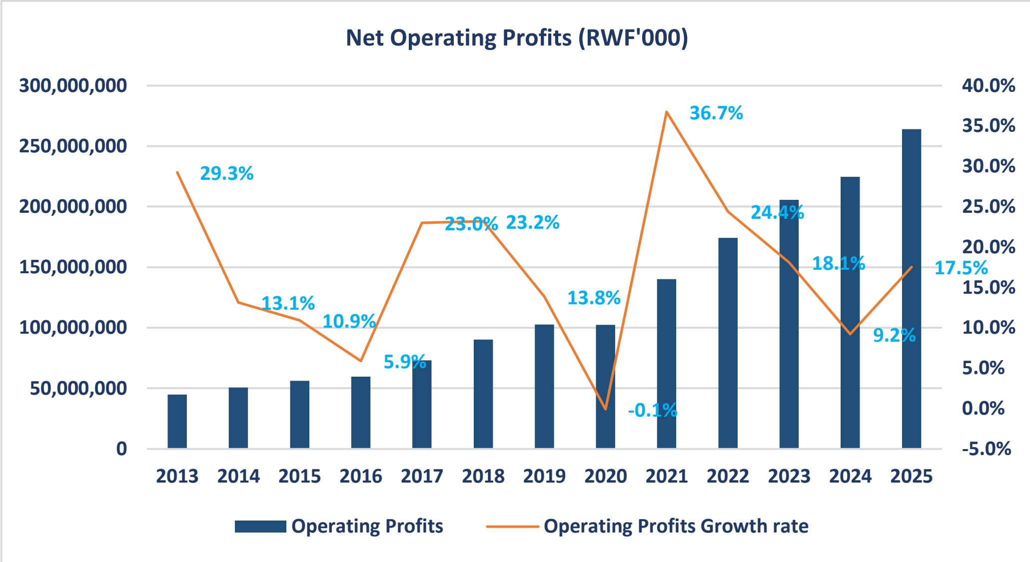
5. Profit After Tax

Net income grew 20.9% to RWF 110.1 billion in FY 2025 (FY 2024: RWF 91.0 billion), equivalent to US$ 75.5 million. Profit before tax increased 24.9% to RWF 157.5 billion, with income tax expense rising 35.0% to RWF 47.4 billion, driven by higher taxable profits. The net profit margin stood at 39.2% of total operating income, compared to 35.2% in FY 2024, a 400 basis-point improvement.

6. Key Profitability Ratios

ROAA strengthened to 4.0% (FY 2024: 3.9%) and ROAE reached 22.9% (FY 2024: 22.6%), confirming sustained improvement in capital efficiency and the Group's capacity to generate above-market returns. Basic EPS grew 20.4% to RWF 117.8 (FY 2024: RWF 97.8), reflecting strong earnings accretion on a stable share base of approximately 935 million shares.





(Source: Data Shared From RSE, Company Website)

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B. Per-Share & Market Indicators

1. Earnings Per Share (EPS)

Basic and diluted EPS increased 20.4% to RWF 117.8 in FY 2025 (FY 2024: RWF 97.8), precisely mirroring net income growth as the share count remained broadly stable at approximately 934.7 million shares. The compounding EPS trajectory — RWF 65.0 (2022), RWF 80.6 (2023), RWF 97.8 (2024), RWF 117.8 (2025) — confirms sustained earnings momentum over the medium term.

2. Book Value Per Share (BVPS)

BVPS rose 19.1% to RWF 560.9 per share (FY 2024: RWF 471.3), reflecting robust retained earnings growth of 25.3% to RWF 417.3 billion. Total shareholders' equity expanded 19.5% to RWF 524.2 billion (US$ 359.5 million), driven by strong profitability retained within the Group despite a materially increased dividend payout.

3. Dividend Per Share & Dividend Plan

The Board declared a final dividend of RWF 53.04 per share for FY 2025, an 80% increase from RWF 29.34 paid in FY 2024. This significant uplift was supported by strong earnings growth and the Group's improved capital position. Key dividend dates: Book Closure — 15 May 2026; Payment Date — 19 June 2026. The dividend growth trajectory reinforces BK Group's commitment to progressive shareholder returns.

C. Balance Sheet Analysis

1. Total Assets

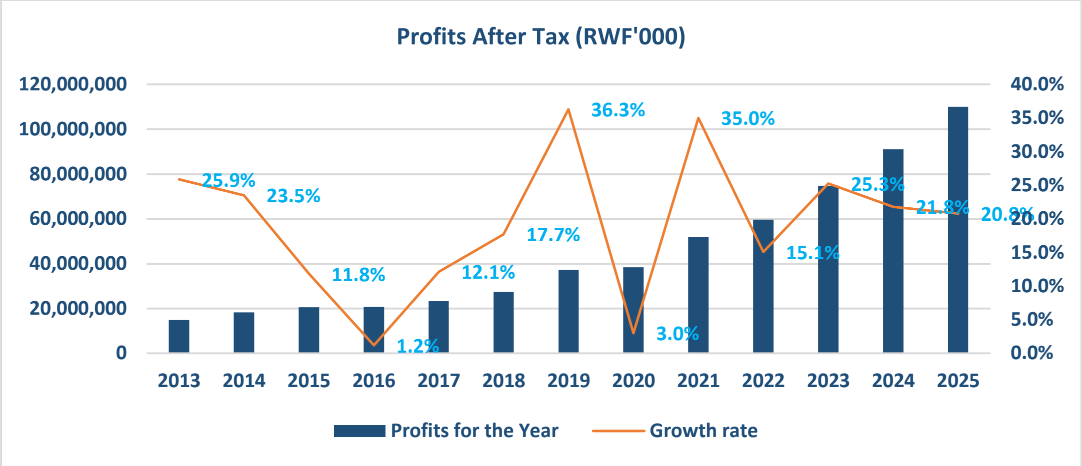
Total assets grew 15.8% to RWF 2,919.5 billion (US$ 2.00 billion) at 31 December 2025, crossing the RWF 2.9 trillion threshold for the first time. The expansion was driven by net loans growing 16.1% to RWF 1,688.1 billion, cash balances with banks rising 36.0% to RWF 542.8 billion, and other fixed income instruments stable at RWF 294.4 billion. Property, plant and equipment declined modestly to RWF 30.9 billion, reflecting ongoing depreciation of the existing infrastructure base.

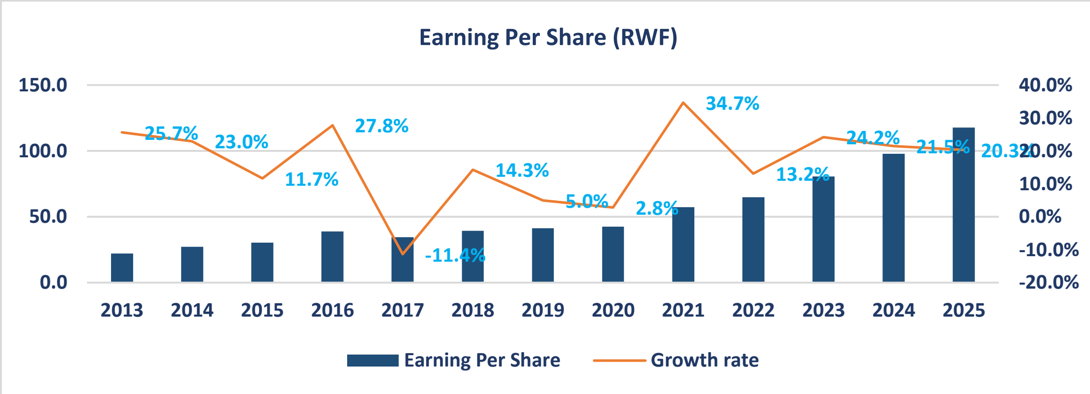
2. Equity

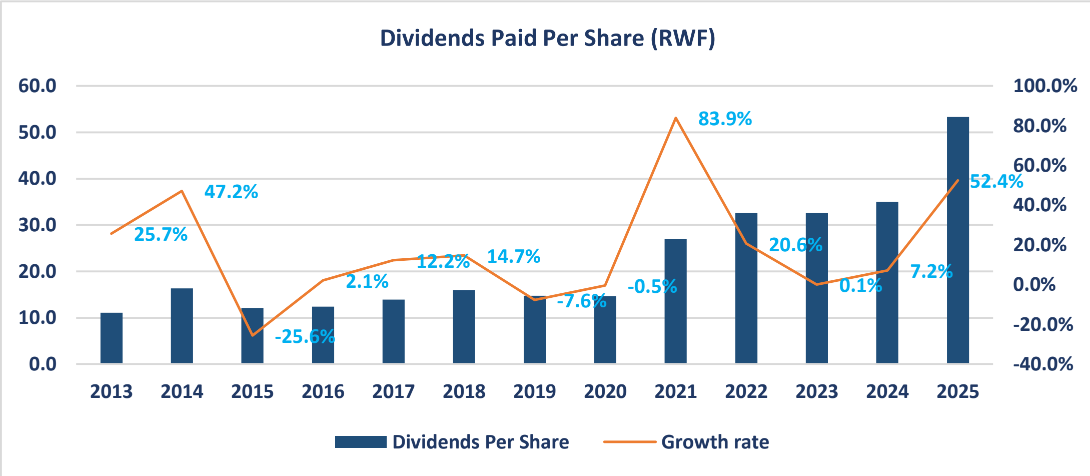
Shareholders' equity expanded 19.5% to RWF 524.2 billion (US$ 359.5 million), driven primarily by retained earnings growth of 25.3% to RWF 417.3 billion. Ordinary share capital was broadly unchanged at RWF 9.3 billion, confirming no material dilutive issuance during the year. Book value per share increased to RWF 560.9 from RWF 471.3, representing significant equity value creation for shareholders.

3. Liabilities

Total liabilities increased 15.0% to RWF 2,395.3 billion (FY 2024: RWF 2,083.0 billion), driven largely by growth in client deposits (+14.8% to RWF 1,884.4 billion) and interbank deposits (+18.6% to RWF 264.9 billion). Dividends payable increased 85.8% to RWF 34.2 billion, reflecting the substantially increased FY 2025 dividend. Borrowed funds grew modestly by 3.3% to RWF 118.7 billion. The leverage ratio (liabilities/equity) declined to 4.6x from 4.8x, indicating gradual deleveraging.







(Source: Data Shared From RSE, Company Website)

D. Cash Flow Analysis

1. Operating Cash Flow

Net cash from operating activities was supported by strong profitability growth, with net income reaching RWF 110.1 billion and depreciation add-backs of RWF 12.5 billion. Improved liability management — reflected in the decline of interest expense by 5.0% — contributed to a healthier operating cash position. Income tax paid increased materially following the 35.0% growth in tax expense, partially offsetting operating inflows.

2. Investing Cash Flow

The Group's balance sheet expansion was reflected in significant loan book growth, with net loans and advances increasing by RWF 234.1 billion. Investment securities (held-to-maturity) declined slightly to RWF 294.4 billion (-4.3%), reflecting a modest portfolio rebalancing towards higher-yielding loan assets in line with the Group's strategy.

3. Financing Cash Flow

Cash balances with banks rose 36.0% to RWF 542.8 billion, substantially enhancing liquidity buffers. The dividends payable balance increased 85.8% to RWF 34.2 billion, reflecting the Board's decision to increase the final dividend to RWF 53.04 per share. Borrowed funds grew a modest 3.3% to RWF 118.7 billion, indicating disciplined use of wholesale funding alongside the strong customer deposit franchise.

E. Operating Business Highlight's

1. Bank of Kigali

The Bank served 766,457 customers at End-December 2025, with over 393,000 active across all segments, representing an 11% increase in active customer's year-on-year. Gross loans reached RWF 1,761.3 billion (+16% YoY), with Agriculture the fastest-growing segment at +49% and SME lending rising 37%. Customer deposits grew 15% to RWF 1,896.8 billion, led by a 40% surge in retail deposits to RWF 538.4 billion. The Agency Banking Network closed at 5,075 active agents, and digitally active retail clients reached 53.3% (FY 2024: 49.0%), with total digital transaction values of RWF 13.7 trillion.

2. BK General Insurance

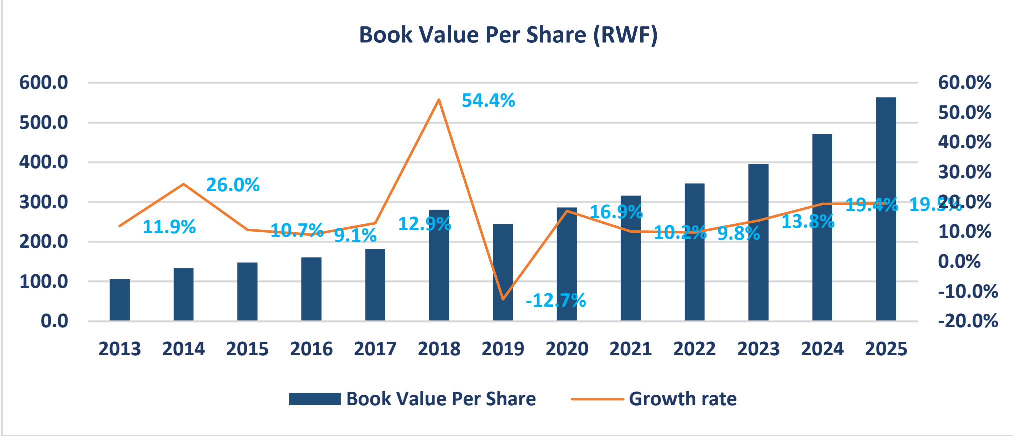
Gross Written Premiums grew 18.8% to RWF 19.0 billion (FY 2024: RWF 16.0 billion), reflecting sustained portfolio expansion across motor, fire, agriculture, and engineering lines. Underwriting profit grew 11.4% to RWF 3.9 billion, and the combined ratio was 72%, comfortably below the 95% regulatory threshold. Return on Equity reached 24%, with shareholders' equity expanding 18.1% to RWF 23.5 billion. The individual client base grew 33.8% to 30,050 clients.

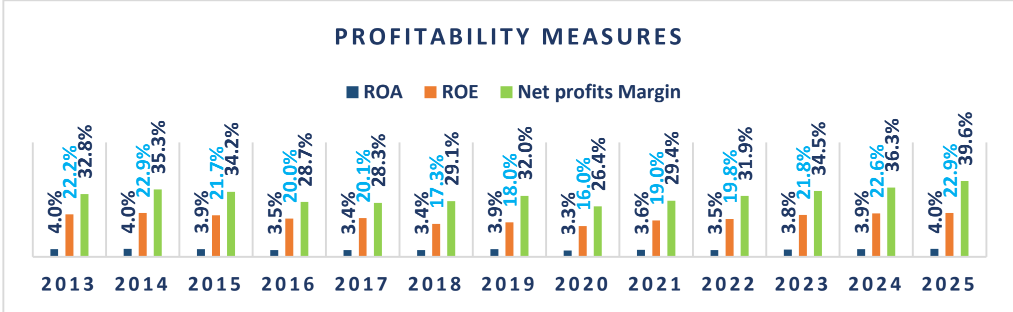
3. BK Capital

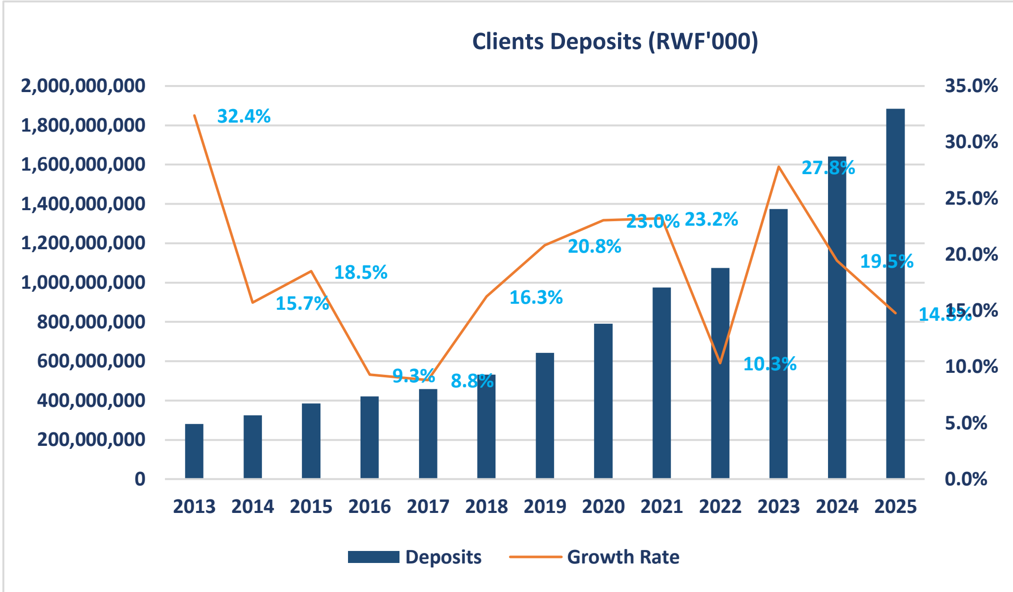
Assets Under Management surged 125% to RWF 151.8 billion, supported by strong institutional mandate inflows. The Aguka Unit Trust Fund reached RWF 36.0 billion. Total income rose 20% year-on-year, with BK Capital maintaining its positioning as Rwanda's leading investment and advisory services provider across M&A, structured finance, and capital markets.

4. BK TecHouse

Net revenue grew 11.9% year-on-year, with digital sales contributing 55% of total revenues. Digital users expanded 29% to 5.65 million. SaaS and Software Development on Demand revenues surged 154% and 132% respectively. The UPG merchant base grew to 830, reinforcing the Urubuto payment ecosystem. BK TecHouse maintained full ISO 9001 and ISO 27001 certifications.







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A. Capital Strength

Core Tier 1 capital stood at RWF 461.1 billion (21.2% of RWAs), above the 15% regulatory minimum. Total qualifying capital reached RWF 488.3 billion (22.5%), comfortably above BNR requirements. The leverage ratio improved to 12.9% from 11.2% in FY 2024, reflecting a well-capitalized balance sheet.

B. Credit Risk

Total gross credit risk exposures reached RWF 2,326.7 billion. The NPL ratio improved to 2.9% (FY 2024: 3.2%), remaining well below BNR's 5% benchmark. Restructured loans declined to 6.4% of gross loans (FY 2024: 8.8%), reflecting sustained portfolio quality improvement and disciplined credit management.

C. Liquidity Risk

The Liquidity Coverage Ratio (LCR) strengthened to 424% (FY 2024: 389%), significantly above the 100% regulatory minimum. The Net Stable Funding Ratio (NSFR) stood at 125% (FY 2024: 127%), confirming adequate stable long-term funding. Liquid assets as a share of total assets held at 39.1%, underpinning resilient liquidity buffers.

D. Operational Risk

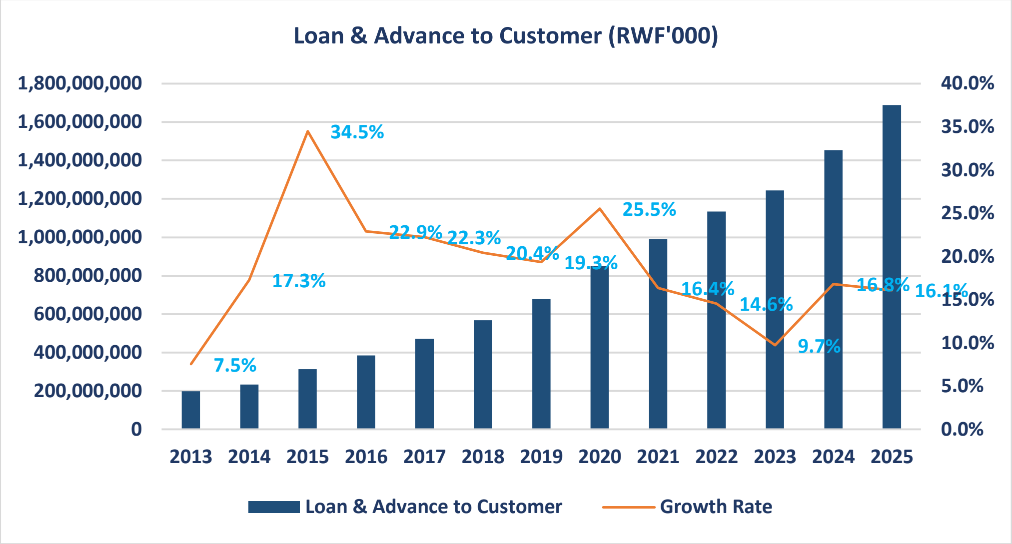
Thirteen fraud incidents were recorded during FY 2025: 6 digital channel frauds (RWF 87.0 million), 5 forged document cases (RWF 345.2 million), and 2 staff-related frauds (RWF 458.1 million). The Group maintained ISO 9001 and ISO 27001 compliance across its technology subsidiaries and continued to strengthen its internal audit and risk control frameworks.

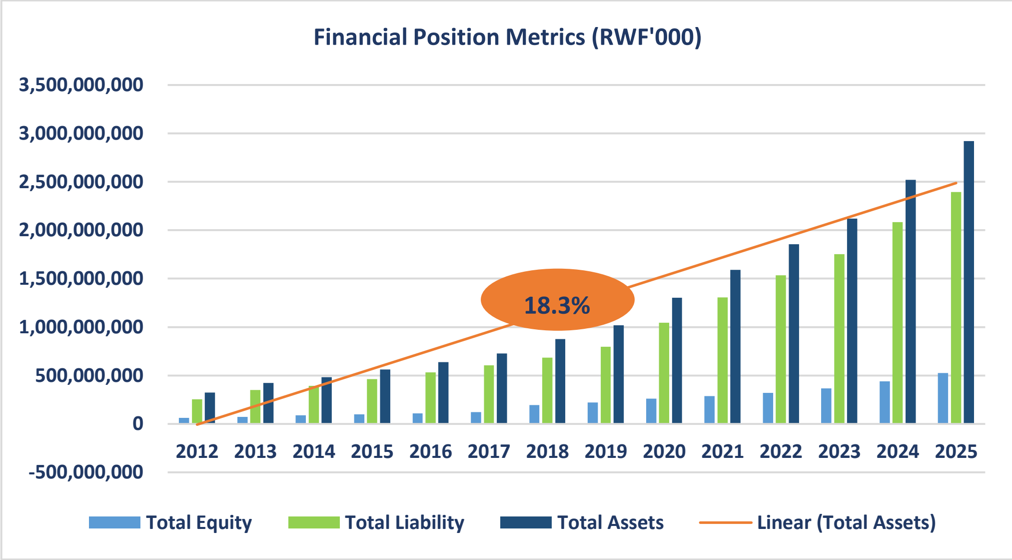
E. Market Risk

Interest rate risk exposure rose to RWF 1,479.5 billion (FY 2024: RWF 967.9 billion), reflecting balance sheet growth and repricing dynamics. Foreign exchange risk was contained at RWF 9.4 billion (FY 2024: negative RWF 15.0 billion), with Forex assets covering Forex liabilities at 100.9%. The RWF depreciated 4.4% against the USD in 2025, a moderation from 5.4% in FY 2024.

F. Country Risk

BK Group held no credit exposures abroad. Assets held abroad totaled RWF 529.8 billion (FY 2024: RWF 387.5 billion), reflecting increased correspondent banking and treasury placements. Liabilities abroad were modest at RWF 65.1 billion. Rwanda's sovereign rating was affirmed at 'B+' Stable by Fitch, providing a supportive operating environment.





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APPENDIX:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	AUDITED	AUDITED
For the period ended	**31 Dec 2025**	**31 Dec 2024**
	FRW'000	**FRW'000**
Net interest income	220,459,303	190,660,354
Net fee and commission income	36,637,476	40,029,785
Other income	23,983,968	27,983,286
Credit impairment losses	(17,059,121)	(34,036,254)
Net operating income	**264,021,626**	**224,637,171**
Operating expenses	(106,555,894)	(98,533,473)
Profit before income tax	**157,465,732**	**126,103,699**
Income tax expense	(47,365,106)	(35,072,668)
Profit for the period	**110,100,626**	**91,031,031**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOMES	AUDITED	AUDITED
For the period ended	**31 Dec 2025**	**31 Dec 2024**
	FRW'000	**FRW'000**
Profit for the period	110,100,626	91,031,031
Other comprehensive income:	-	-
Total comprehensive income for the year, net of tax	**110,100,626**	**91,031,031**
Earnings per share (basic and diluted) (FRw)	117.8	97.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	AUDITED	AUDITED
As at	**31 Dec 2025**	**31 Dec 2024**
Assets	**FRW'000**	**FRW'000**
Cash, deposits and balances due from financial institutions	847,124,546	678,269,792
Held to maturity investments	294,381,785	307,528,240
Loans and advances to customers	1,688,134,855	1,453,983,641
Insurance Contract Assets	3,358,680	2,857,410
Deferred income tax	17,098,309	7,857,130
Assets held for sale	100,000	100,000
Other assets	21,161,597	21,472,751
Right of use assets	3,031,878	2,694,903
Property and equipment	30,887,316	31,734,374
Intangible assets	14,233,369	14,610,397
Total Assets	**2,919,512,333**	**2,521,108,638**
Liabilities		
Due to banks	264,889,279	223,300,626
Deposits and balances from customers	1,884,428,321	1,641,839,621
Current income tax	15,108,412	8,989,032
Dividends payable	34,173,161	18,395,258
Insurance contract liabilities	6,304,315	4,685,020
Other liabilities	68,419,658	70,484,738
Lease liabilities	3,255,631	2,935,409
Long-term finance	118,693,730	111,951,300
Total Liabilities	**2,395,272,507**	**2,082,581,004**
Equity		
Share capital	9,347,166	9,305,314
Share premium	84,326,286	83,074,911
Retained earnings and other reserves	424,245,302	340,884,525
Equity Attributable to owners of the company	**517,918,755**	**433,264,750**
Non-Controlling Interests	6,321,071	5,262,884
	524,239,826	**438,527,634**
TOTAL EQUITY AND LIABILITIES	**2,919,512,333**	**2,521,108,638**

OTHER DISCLOSURES

	31 Dec 2025 FRW'000	31 Dec 2024 FRW'000
A. CAPITAL STRENGTH		
a. Core capital (Tier 1)	461,137,950	377,388,017
b. Supplementary capital (Tier 2)	27,163,500	23,959,999
c. Total capital	488,301,450	401,348,016
d. Total risk weighted assets	2,173,079,981	1,916,799,942
e. Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	21.2%	19.7%
f. Tier 2 ratio	1.25%	1.25%
g. Total capital/total risk weighted assets ratio	22.5%	20.9%
h. Leverage ratio	12.9%	11.2%
B. CREDIT RISK		
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation: (FRW'000)	**2,326,679,810**	**2,191,050,378**
2. Average gross credit exposures, broken down by major types of credit exposure: (FRW'000)		
a. Loans, commitments and other non-derivative off-balance sheetexposures;	567,554,109	668,533,472
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure: (FRW'000)	**1,759,125,701**	**1,522,516,905**
City of Kigali	1,546,791,406	1,381,985,300
Northern Province	52,049,831	33,091,440
Eastern Province	86,010,480	54,453,205
Western province	35,015,138	24,937,834
Southern province	39,258,846	28,049,126
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas: (FRW'000)	**1,759,125,701**	**1,522,516,905**
a. Public;	302,532,180	263,081,703
b. Financial;	15,019,201	3,013,664
c. Manufacturing;	156,054,523	133,195,502
d. Infrastructure and construction;	416,535,857	242,742,633
e. Services and commerce.	649,177,022	651,369,747
f. Others	219,806,918	229,113,656
5. Off- balance sheet items (FRW'000)	**589,955,683**	**668,533,472**
6. Non-performing loans indicators		
a. Non-performing loans (NPL) (FRW'000)	68,072,463	70,899,372
b. NPL ratio	2.9%	3.2%
7. Related parties (FRW'000)		
a. Loans to directors, shareholders and subsidiaries	274,702	263,837
b. Loans to employees	33,446,695	28,666,434
8. Restructured loans		
a. No. of borrowers	452	630
b. Amount outstanding (FRW '000)	112,868,907	133,681,618

		31 Dec 2025	31 Dec 2024
E.	**MARKET RISK**		
a.	Interest rate risk	1,479,454,226	967,897,392
b.	Equity position risk	-	-
c.	Foreign exchange risk	9,449,241	(14,991,736)
F.	**COUNTRY RISK**		
a.	Credit exposures abroad	-	-
b.	Other assets held abroad	529,753,000	387,510,889
c.	Liabilities abroad	65,137,081	61,407,467
G.	**MANAGEMENT AND BOARD COMPOSITION**		
a.	Number of Board Members	7	7
b.	Number of Independent Directors	4	4
c.	Number of Non-Independent Directors	3	3
d.	Number of Female Directors	2	2
e.	Number of Male Directors	5	5
f.	Number of Senior Managers	6	7
g.	Number of Female Senior Managers	-	1
h.	Number of Males Senior Managers	6	6

c.	Provision thereon (FRW '000) (regulatory):	8,655,475	11,323,798
d.	Restructured loans as % of gross loans	6.4%	8.8%
C.	**LIQUIDITY RISK**		
a.	Liquidity Coverage Ratio (LCR)	424%	389%
b.	Net Stable Funding Ratio (NSFR)	125%	127%
D.	**OPERATIONAL RISK**		
		NUMBER	**AMOUNT IN FRW**
a.	Number and types of frauds and their corresponding amount		
Digital channel frauds		6	87,047,445
Forged Documents		5	345,192,254
Frauds involving staff		2	458,119,849

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IRADUKUNDA Claude Research Officer +250780072147 iradukunda.claude@cdhcapitalltd.org	Shehzad Noordally CEO +250 788 301 007 shehzadnoordally@cdhcapitalltd.org