



ANNUAL INTEGRATED REPORT 2022





Annual Integrated

REPORT 2022





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Call 2323



MUA

Insurance (Rwanda) Limited

RECEPTION



Preface

This Annual Integrated Report (AIR) includes statements with respect to past, present and future events, trends, plans, expectations or objectives and other forward looking statements relating to the MUA's future business, financial condition, results of operations, performance, and strategy.

Forward-looking statements contained herein are based on Management's current views and assumptions and, by nature, involve known and unknown risks and uncertainties; therefore, undue reliance should not be placed on them. Actual financial condition, results of operations, performance or events may differ materially from those expressed or implied in such forward-looking statements, due to a number of factors including, without limitation, general economic conditions and competitive situation; future financial market performance and conditions, including fluctuations in exchange and interest rates; frequency and severity of insured loss events, and increases in loss expenses; mortality and morbidity levels and trends; persistency levels; changes in laws, regulations and

standards; the impact of acquisitions and disposal, including related integration issues, and reorganization measures; and general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of catastrophic events, including weather-related catastrophic events, pandemics incidents or acts of war.

MUA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

In addition to the Consolidated Financial Statements, this AIR refers to performance measures, used by Management in analyzing the company's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding the company's results.



Abbreviations & Acronyms

| | | |
|------------|---|----------------------------|
| AIR | • | Annual Integrated Report |
| GEP | • | Gross Earned Premium |
| GWP | • | Gross Written Premium |
| MUA | • | Mauritius Union Assurance |
| NEP | • | Net Earned Premium |
| NBR | • | National Bank of Rwanda |
| OCI | • | Other Comprehensive Income |
| PAT | • | Profit After Tax |
| PBT | • | Profit Before Tax |
| RWF | • | Rwandan Francs |



Global Insurance Industry Outlook





Globally, Insurers are planning to review their Strategic Asset Allocation (SAA). Technology integration and embedding sustainability objectives are the other key trends that are set to accelerate. Year 2022 was expected to be another bumper year for the insurance industry, but the invasion of Ukraine has dashed those hopes. Premium income grew by roughly 1pp slower than originally assumed as the war takes its toll on economic activity and confidence, even as inflation supports the top line. Overall, global premium income grew by +4.8% in 2022, with life and p&c developing almost in step (+4.9% and +4.6% respectively). This figure must be considered against the backdrop of a global inflation rate of 6.2% this year.

Despite the great uncertainties today, we are not too pessimistic about the more distant future. After all, these uncertainties are precisely the breeding ground for rising risk awareness; they reinforce the impact of the two megatrends of climate and demographic change, which will continue to be the main drivers of demand for risk protection. Overall,

we expect annual growth of +4.8% over the next 10 years (life: +4.9%; p&c: +4.6%). This corresponds to an increase in premium income by +67% or EUR2.8trn by 2032, of which just under EUR1.8trn will be generated by the life segment (+69%) and just over EUR1trn by the p&c segment (+63%).

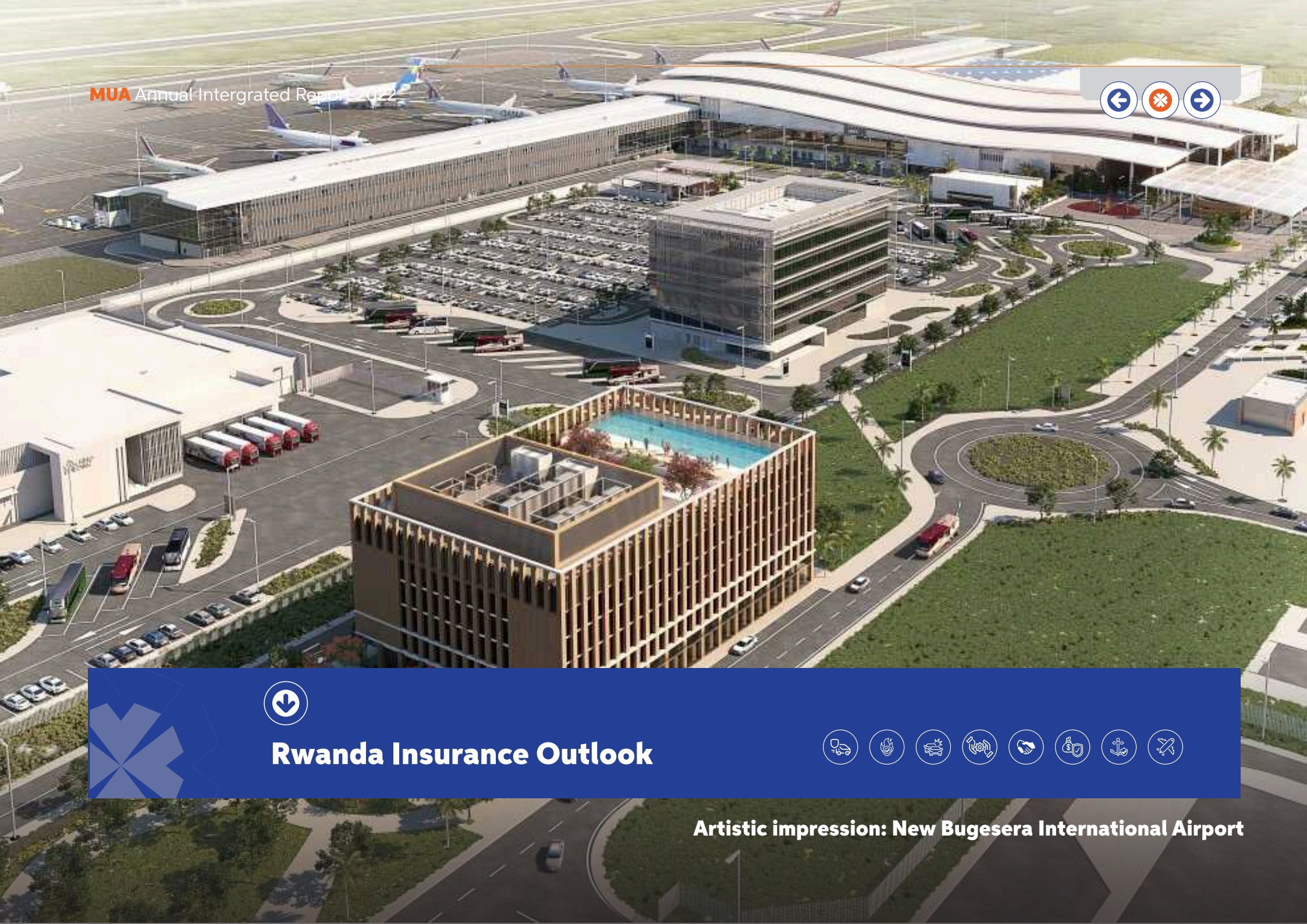
The pandemic and the war in Ukraine are wake-up calls for better risk management, and even more demand for protection. The industry must succeed in maintaining its economic and social relevance, offering innovative solutions for new and rising risks. The questions of

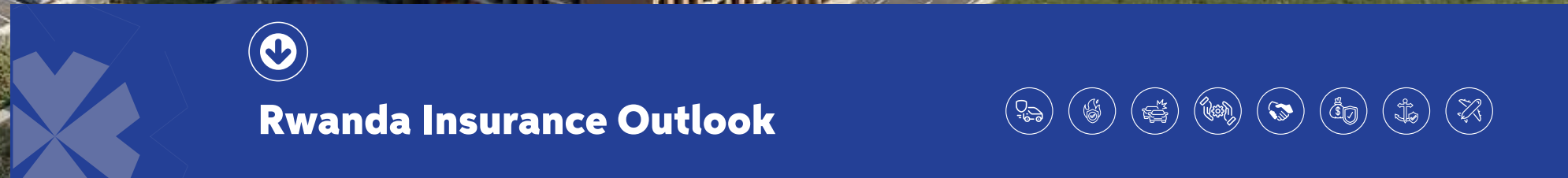
insurability and affordability are likely to become increasingly urgent in the coming years. This requires a level of creativity and collaboration with all stakeholders, customers, carriers, and policy makers even beyond previous efforts.


Western Europe recorded an increase of 3.6% in total premium income (life: 3.8%, P&C: 3.3%); total premium income exceeded EUR 1,1trn. Reflecting the impact of the Ukraine war, growth is likely to


decline to 2.9% in 2022 (life: 2.8%, p&c 3.1%). After that, however, an acceleration is also expected in Europe, with average growth over the next ten years expected to settle at 3.3% (life: 3.3%, non-life: 3.3%), well above the level of the last decade (1.6%), which was marred not only by Corona but also by the euro crisis.

Both lines of business might indirectly benefit from the recent crises. In the life business, increased risk awareness in the wake of the Covid 19 crisis and the inflation-triggered end of zero interest rates should make many savings and pension products more attractive again. In the p&c business, climate-mitigation efforts will intensify, first and foremost the decarbonization of energy supply. The quest for energy independence makes this even more important now. This requires major investments from both the private and public sectors and creates a high need for risk protection as new risks will emerge with this radical transformation of our economy.





 **Rwanda Insurance Outlook**



Artistic impression: New Bugesera International Airport



Sector Profile

The insurance sector is dominated by public insurers. In terms of asset size, the 2 public insurers namely RSSB-Medical and Military Medical Insurance (MMI) remained dominant with an asset size equivalent to 62.2 percent of total assets and 41.8 percent of Gross Written Premium (GWP) of the insurance sector. On the other hand, private insurers held 37.8 percent of total assets and 58.2 percent of GWP. Insurance business is dominated by non-life insurance (including public insurers) representing 88.2 percent of GWP. Among the private insurers, non-life or general insurance representing 79.7 percent of GWP. Life insurance on the other hand, provided by 3 insurers, represented 10.7 percent of total sector premiums and 18.4 percent of private insurers GWP.

Product Market Share

Insurers heavily depend on motor and medical insurance products. As at end June 2022, Motor and medical insurance products contributed 63.9 percent of total private insurer's premiums, reflecting the product concentration risk. Property represented 12.6 percent, guarantees (4.2 percent), engineering (5.5 percent), accident and health (2.3 percent), liability (2.3 percent), transportation (1.9 percent), and other non-life insurance products (7.3 percent.)

Premiums Report

The balance sheet of the insurance sector continued to expand. Total assets of the insurance sector grew by 17 percent as at end June 2022 compared to the growth of 16 percent registered in June 2021. This growth reflected the increased investment income and capital increment. The growth of premiums moderated during the period under review. Premiums grew by 16 percent in June 2022 compared to the growth of 26 percent in June 2021.

Claims Report

Claims in private insurance increased in period under review. As at June 2022, private insurers recorded the growth of the claims in value by 16 percent to Frw 30 billion. The

growth of claims in motor was partially associated with an increase in spare parts price and increased labor cost all associated with increased inflation. Also the number of road users involved in the accident increased in period under review which also partially explains the increase of claims in motor.

Pension

The growth of assets of the public pension fund moderated with 6 percent growth. Total assets of the public pension fund increased by Frw 72 billion (from Frw 1,171 billion in June of 2021 to Frw 1,243 billion in June 2022). The main drivers of growth of assets were the increased market value of plots and acquisition of new plots by Pension fund, and members' contributions. During the period under review, the value of offshore investments (quoted) grew from Frw30 billion to Frw 47 billion reflecting the increase of Frw 17 billion. The assets of Long Term Saving Scheme (LTSS) Ejo Heza continued to grow in period under-review. As at end June 2022, total assets of Long Term Saving Scheme (LTSS) Ejo Heza increased to Frw 32 billion from Frw 17 billion in June 2021. The large portion of these assets are investment in Government securities (88 percent). The growth of assets of LTSS Ejo Heza is linked to the increased number of subscribers' and their contribution attributable to mobilization campaigns. Total contributions received increased to Frw 9 billion in June 2022 from Frw 8 billion in June 2021.

Likewise, the assets of voluntary pension schemes continued to increase. Private pension schemes remained 12 and altogether increased their assets by 27 percent from Frw 63.7 billion in June 2021 to Frw81.1 billion as at June 2022. The growth of the assets is linked to the growing members' contributions and investment income. Voluntary pension schemes continued to invest heavily in fixed income securities (at tune of 82 percent) with large share in government securities, followed by investment in term deposits with 9 percent.



MUA Insurance Rwanda Profile



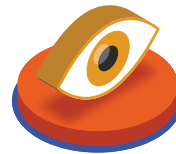


Who we are

MUA is a regional Insurance Group that offers non-life insurance products that ensure quality protection with value pricing. We have been operating in Rwanda since 2006 under our previous business name Phoenix of Rwanda Assurance Company.

MUA is the exclusive member of Globus in Mauritius and Seychelles. Globus is a Pan-African network of over 50 leading insurance companies. Our value proposition includes centrally managed global policies with local policies arranged in foreign jurisdictions for subsidiaries or portfolio companies.

MUA has significantly developed its insurance activities in Rwanda, Kenya, Tanzania and Uganda since 2014, with the support of its parent company in Mauritius. MUA Rwanda is strongly focused on digital innovation and increasing access to insurance solutions in this market.



Our Vision

We are committed to providing innovative financial and insurance solutions to ensure peace of mind for our communities.



Our Mission

Our purpose is to ensure peace of mind for our customers by providing the best financial protection and solutions through innovative products and services in our chosen markets.



Our Corporate Strategy

MUA is driven to creating and sharing value amongst all of its stakeholders by focusing on sustainable social, economic and environmental value. It is our core belief that as a responsible insurance group, we have the moral obligation to ensure the peace of mind of our customers, to enable healthier and happier lives for our employees and to participate in the development of the communities we serve. Our corporate strategy is built on four overarching pillars, namely;



Empowerment of our People for a greater workforce engagement



Increase Customer Value meeting his expectations (quality, of relationship & advices, delivery, solutions)



Reinforce insurance core mission delivering value to the Community



All this, concluding to a sustainable increase of Shareholder Value

What we stand for:



Integrity



Team Work



Excellence



Diversity



Professionalism



Equity and Transparency in service delivery



Responsiveness to challenges and opportunities



Creativity

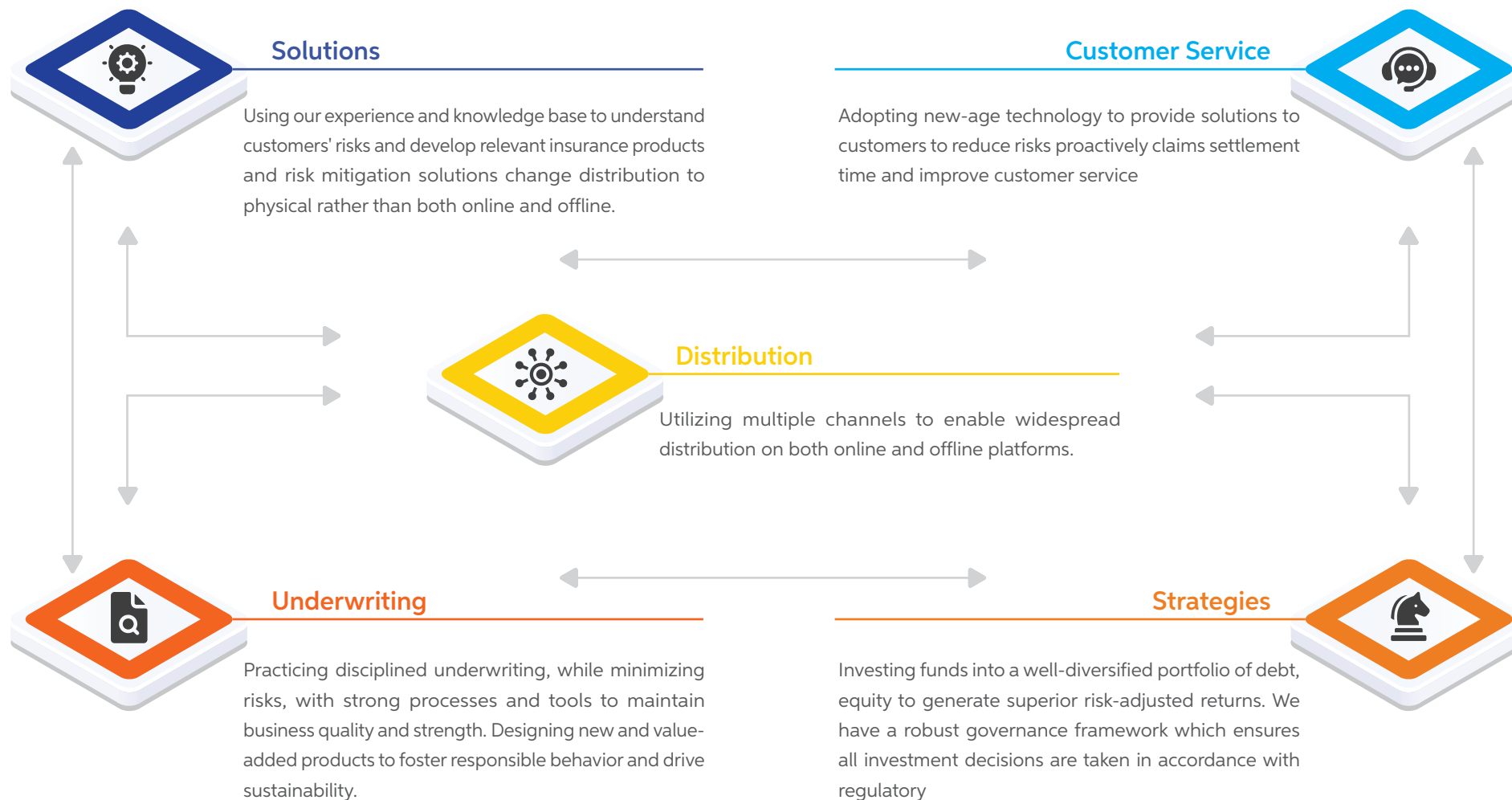


Innovation



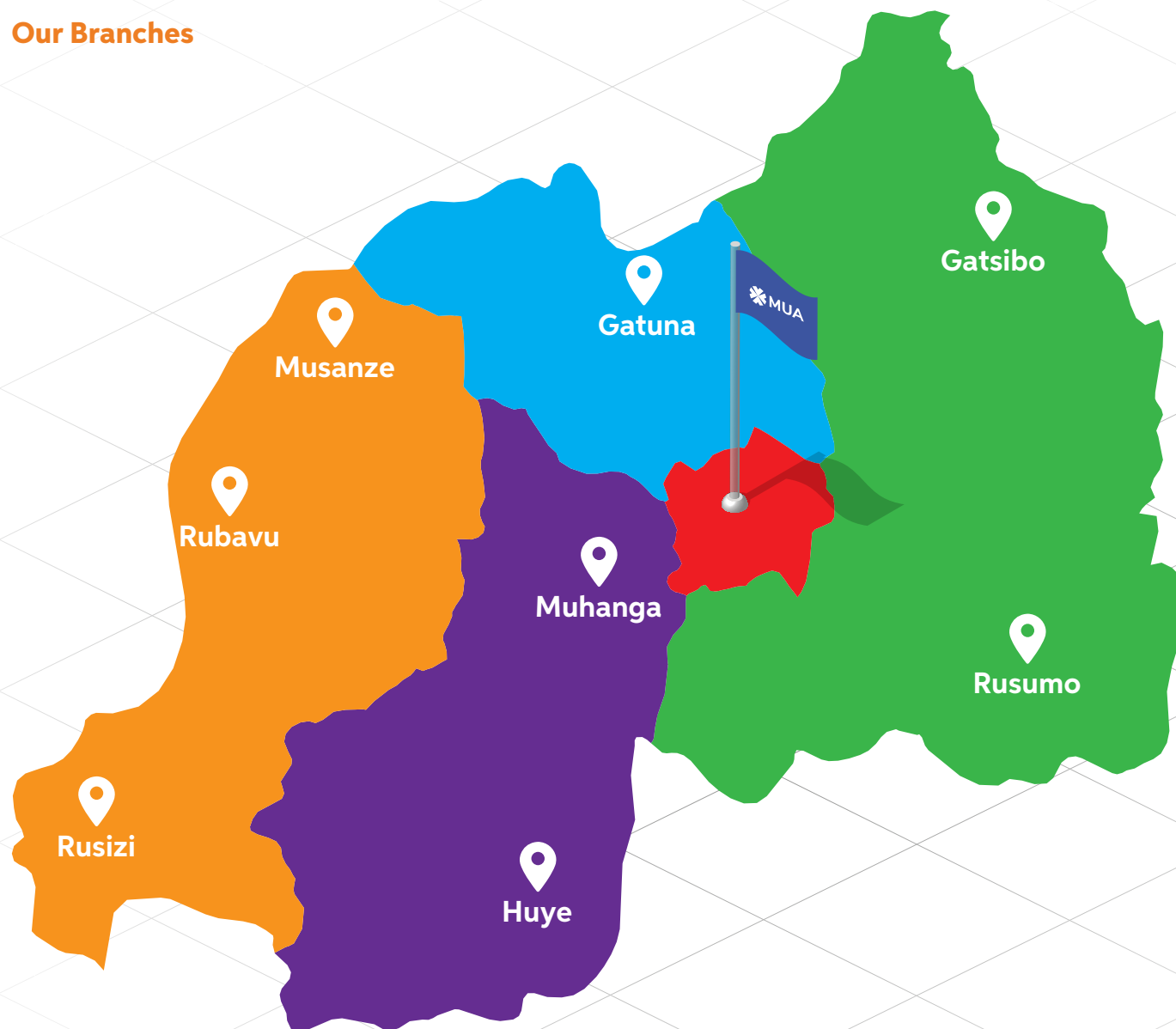
Efficiency

Our Business Model





Our Branches

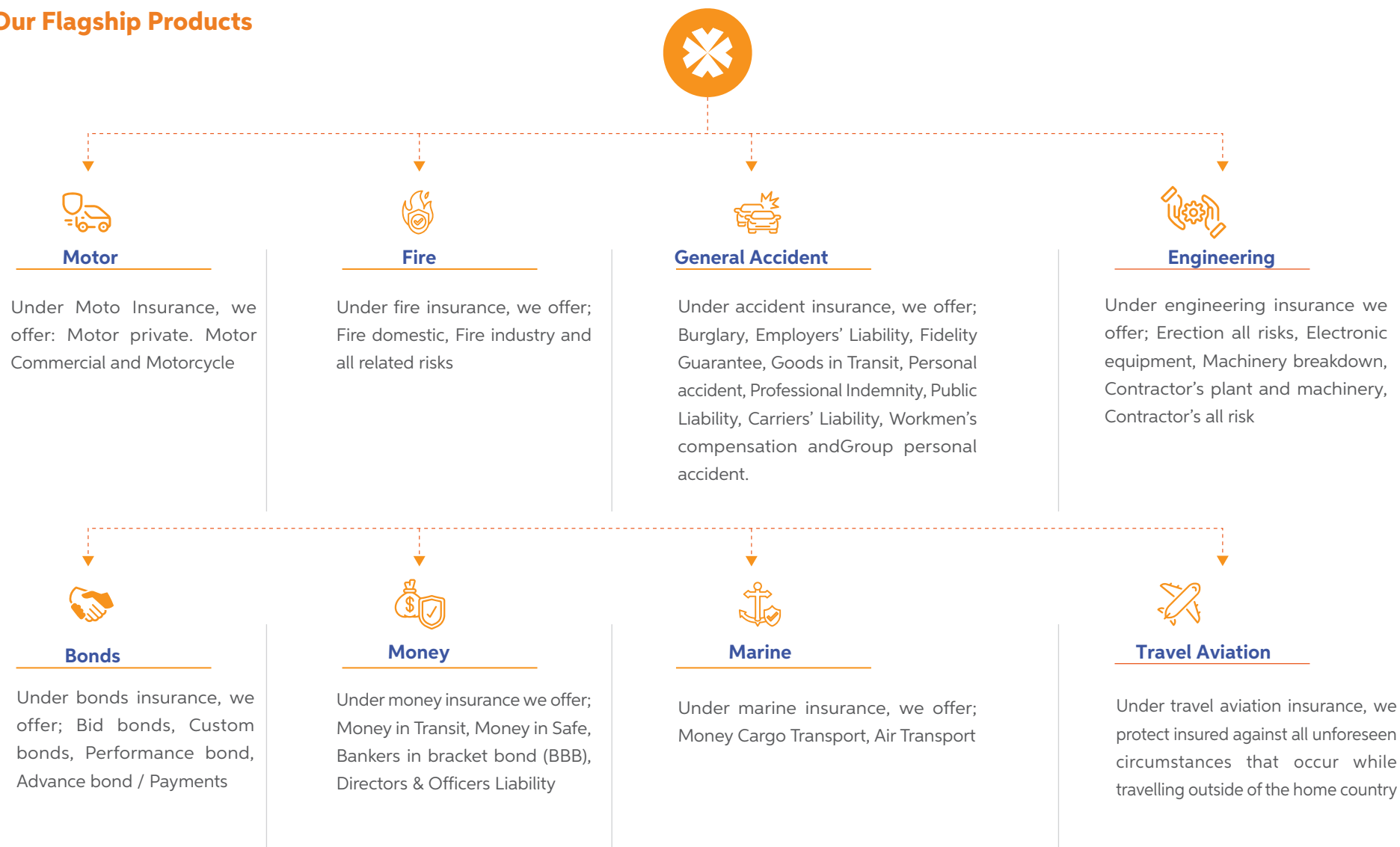


- Kicukiro - Sonatube
- Nyabugogo
- Remera - Kisimenti
- Remera - Giporoso
- Muhima - Iposita
- Kimironko
- Magerwa
- Kiyovu
- Gikondo
- Gisozi
- Nyamirambo
- Masoro/Freezone



Other MUA Branches
Locations

Our Flagship Products





✓ Why Choose MUA Rwanda?



- MUA Insurance Rwanda has the largest reinsurance treaty capacity in the market.
- MUA Insurance Rwanda is one of the most financially stable general insurance companies in Rwanda consecutively registering substantial underwriting profits in the past 5 years.
- MUA Insurance Rwanda is one of the leading general insurance companies in Rwanda.
- MUA Insurance is the first to provide toll free 24/7 service in Rwanda.

✓ Our Reinsurers

MUA insurance Rwanda Limited has the biggest reinsurance treaty program in the region with world class reinsurers including;



✓ Our business contacts

**KN 4th Avenue, Grand Pension Plaza
Ground 8th Floor
P.O Box 82, Kigali, Rwanda
+250 788 12 50 24
Toll free: 2323
Twitter: @MUARwanda
www.mua.rw**

Underwriting: underwriting@mua.rw
Claims: claims@mua.rw
Business development: bdd@mua.rw
Finance: finance@mua.rw
Complaints: complaints-mgt@mua.rw
Customer Care: customercare@mua.rw



Financial Performance Highlights 2022





✓ Profit After Tax (PAT) :

1,295 Million | 2022

Against

586 Million | 2021

reflecting a 121% increase; largely due to increase in underwriting profit and Investment income.

✓ MUA Assets:

(-10.4%) 

Dropping to

18,914 Million

In from

21,113 Million | 2021

✓ Income Tax:

 **(121%)**

Rising from

254 Million | 2021

To

563 Million | 2022

✓ Solvency

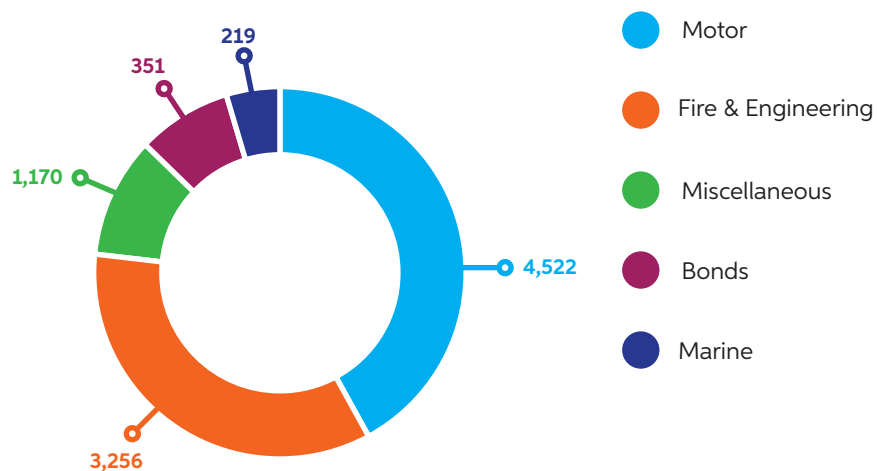
239% & 144%

For fixed capital and risk based model respectively

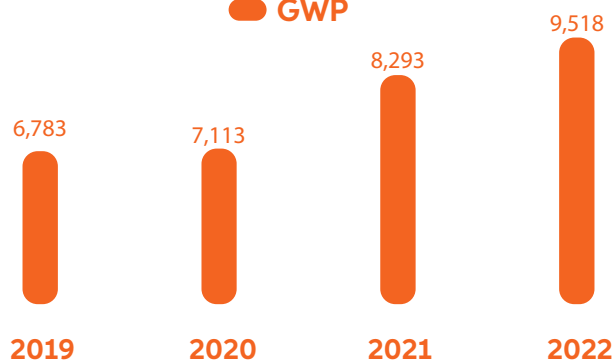


✓ Gross Written Premium

GWP Growth: 15% (from Frw8.2billion to 9.5 billion), largely driven by new business for motor, engineering, and accident coupled with close follow-up of quotations for retail business.



■ GWP

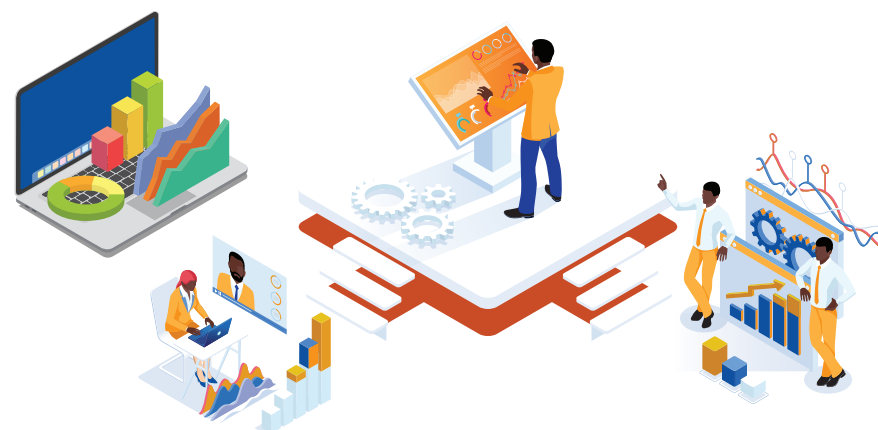


15% | ↗ 54% | 2022

From

69% | 2021

Due to increase in earned premium by 25%





Commission Ratio

1% Up From **-2%**

recorded last year owing to reduction in reinsurance commission following curtailment of bonds and increase in business through intermediaries.

Expense Ratio

1% From **35%** | 2021

TO

34% | 2022

largely due to increase in earned premium and decrease in provision for doubtful debts.

Combined Ratio

13% From **103%** | 2021

TO

90% | 2022

largely due to reduction in loss ratio following improvement in earned premium.

Investment Income

24% From **954.6Million** | 2021

TO

1.187Billion | 2022

above the projection for the year thanks to increase in investment portfolio and yield. However, its worthwhile to note that towards the end of the year, the portfolio investment declined owing to retirement of term deposits and treasury bills cater for the payment of Roko bond equivalent to **4.7 billion**.



✓ Products Performance in 2022

| PI | Fire | Engineering | Accident | Motor | Marine | Bond | Total |
|-------------------------|-----------|-------------|-----------|-------------|----------|----------|-------------|
| GWP | 1,831,764 | 1,424,370 | 1,170,016 | 4,521,838 | 219,213 | 351,359 | 9,518,560 |
| GEP | 1,722,792 | 1,605,179 | 1,098,908 | 4,131,220 | 215,714 | 401,733 | 9,175,546 |
| NEP | 571,477 | 431,641 | 787,102 | 3,993,266 | 171,006 | 61,763 | 6,016,255 |
| Net Incurred Claims | (301,754) | (201,016) | (477,487) | (2,166,983) | (35,880) | (50,993) | (3,234,113) |
| Net Commissions | 156,217 | 195,567 | 2,281 | (429,018) | (9,358) | 44,356 | (39,956) |
| Net Underwriting Profit | 278,320 | 398,662 | 58,916 | (102,290) | 69,004 | (95,900) | 606,713 |

✓ Claims paid

8,008Million | 2022

From

3,111Million | 2021

reflecting a 157% increase

✓ Reinsurer share of Claims

4,807Million | 2022

From

812Million | 2021

reflecting a 492% increase



✓ Total Claims Paid

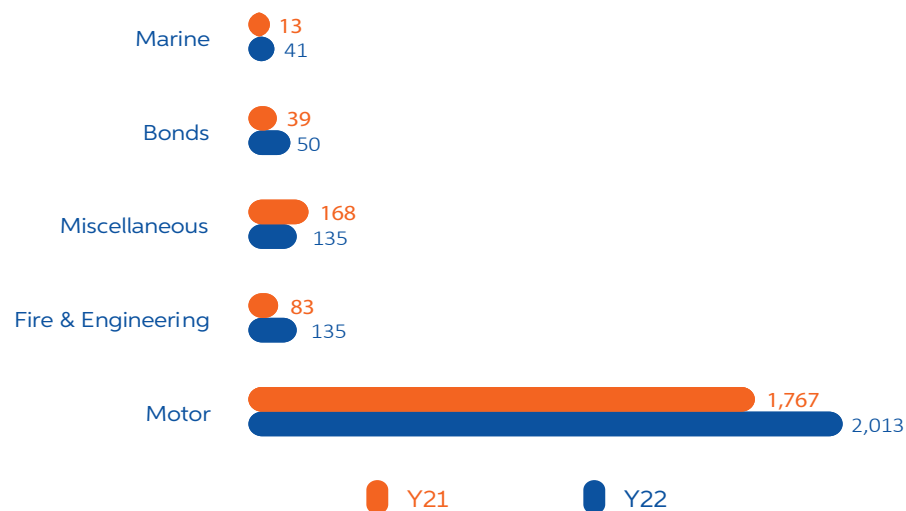
2,070 | **2021**

VS

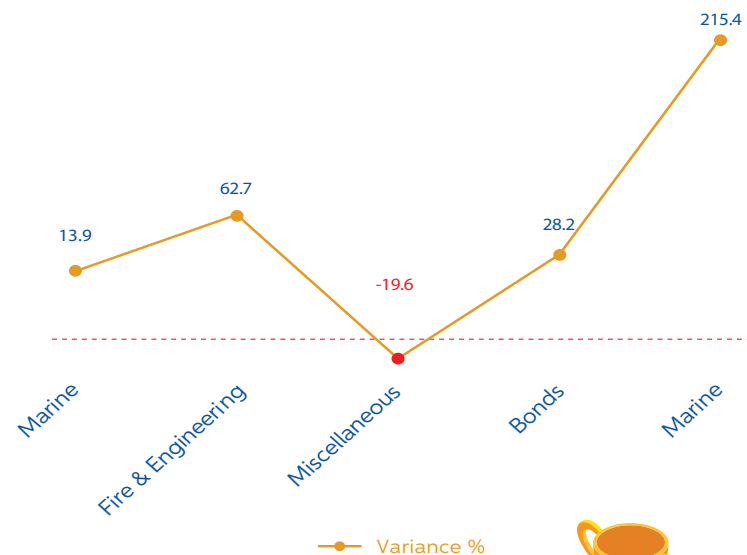
2,374 | **2022**

reflecting a 14.7% increase

✓ Paid Claims 2022 v 2021



✓ Paid Claims Variance 2022 v 2021 (%)





Gorvernance Report 2022





I would like to express my heartfelt gratitude to our clients, business partners, suppliers, government authorities and regulators for their steadfast cooperation and trust in MUA Rwanda.



I am delighted to present MUA Insurance (Rwanda) Ltd's financial statements and activity report for the year ended 31st December 2022. The company continues to integrate strategic sustainable principles in its business operations and investment decisions in line with the industry best practices.

Generally, the Financial Year 2022 ("FY 2021") saw a rebound in economic activities as containment measures for the COVID-19 pandemic were progressively relaxed and daily new infections trend downwards. As the Rwandan economy continues to recover, MUA strengthened its business model resilience strategies to broaden its earnings base and improve its range of products and services.

In 2022, MUA Insurance (Rwanda) Ltd achieved a positive financial performance, consolidating a profitability trajectory. The company turned a net profit of Frw1,295million for the FY 2022, compared with RWF585Million in the previous year, reflecting 121% increase. The financial results and segmental performances are further detailed in the Management Discussion & Analysis section of this Annual Report.

Amidst the rebounding period after covid-19, we expected the company to grow exponentially, considering the refocus and amount of investment the shareholders have sunk in. It is quite encouraging to report that MUA Rwanda's performance vis-a-vis the Group portfolio remains solid and impressive.

Governance

We're transitioning from a long serving board chairman, Mr. Ernest Gerald Lemaire, who has diligently served the company since 2017. I convey our sincere appreciation for the outstanding leadership he has exhibited.



In my new role as Board Chairman, I take over from a highly experienced and performing person. I have confidence that I shall consolidate the achievements and steer the company to greater heights. My long stint as the Ambassador of Rwanda to Mauritius, plus the current diplomatic privileges, are key attributes that will further strengthen the Rwanda-Mauritius business connections. We have reinforced the Board with two (2) appointments who will be taking up their places at the start of 2023

Since June 2022, the Board focused on the on-site inspection by the regulator (BNR-National Bank of Rwanda) to ensure total compliance. The board has endeavored to support the management team under the stewardship of the new Managing Director to align the business through the aftermath of covid-19.

Key Board Decision in 2022

Remarkably, the board and shareholders took a bold decision to resolve the major bond market challenges. MUA Rwanda had outstanding bonds spanning over 4 years worth over USD5Million for contractors and constructors who regrettably went burst, and had opted for court litigation. By any standard, this was the largest claim in the Rwandan market. We finally chose arbitration and by end of 2022 all claims and court cases had been closed settled. More interestingly, these clients have come back to us for repeat business.

Perspective

Globally, economies are undergoing the recovery period after the COVID-19 pandemic, which fundamentally changed the business environment in which we operate, and we have to constantly anticipate, adjust, adapt and strategise in response. In these challenging times, MUA remains very much focused in executing our business model resilience strategy which is centered on four (4) strategic drivers, namely; employee, customer, shareholder

and community. We aim to strategically diversify our product portfolio while leveraging on technology and innovation to enhance operational efficiency with an aim to grow and maximize long-term value creation for our stakeholders.

These strategies have certainly begun to bear fruits, across all our businesses in the region. Moving forward, the Board is confident of delivering sustainable growth and building a stable earnings stream.

With Rwanda on track to revive its economy in 2022 through an expansionary budget, driven by strong economic performance with estimated growth of 6.5%, MUA Rwanda is optimistic of its future prospects given the strong fundamentals, track record, and the demonstrated capability, dedication and team spirit of our employees, management and the Board.

Sustainability – A Value Creation Journey

As a responsible corporate citizen, the MUA Rwanda acknowledges the need to balance our sounding economic performance with responsible environmental and social considerations which emphasizes the company's sustainable development practices. As we continue our sustainability journey, our ultimate aim is to deliver a sustainable performance whilst ensuring long-term value creation for all our stakeholders.

It is in this context that MUA Rwanda is committed to clearly articulate our strategy and business model, better identify risk and opportunities, and improve internal processes leading to a better understanding of the business and improved decision-making. More importantly, think in an integrated and holistic manner to address sustainability issues, which encompasses environmental, social, and governance ("ESG"), which is central to the company's competitiveness and continued ability to operate.



Acknowledgement

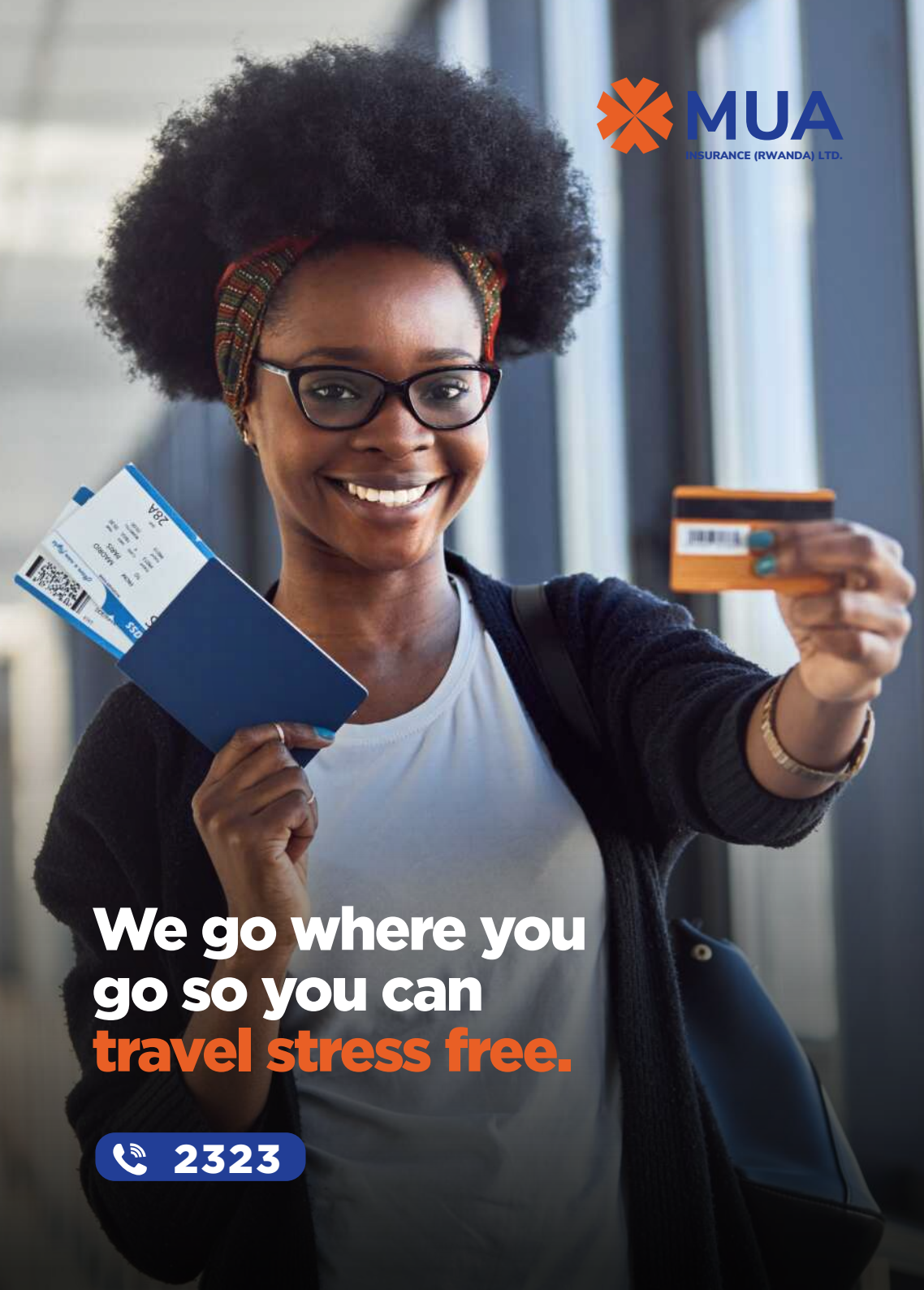
On behalf of the Board of Directors, I would like to express my heartfelt gratitude to our clients, business partners, suppliers, government authorities and regulators for their steadfast cooperation and trust in us (MUA Rwanda). My appreciation for my esteemed colleagues on the Board for their perceptive insights and wise counsel which truly helped the company steer through the challenges while paving the way for our further growth and success.

Last but not least, a big thank you to our dedicated and hardworking Management team and employees for their resilience in the face of adversity and their tireless commitment to excellence.



Patel NIKESH

Chairman, Board of Directors
MUA Insurance (Rwanda) Ltd



**We go where you
go so you can
travel stress free.**

 **2323**



MUA is an iconic trans-continental brand which has a proud history and I am confident to say that the best is yet to come



I am pleased to report a solid financial and operational performance during my first year as the Managing Director of MUA Insurance (Rwanda) Ltd. We have successfully managed the challenges of the aftermath of the pandemic (COVID-19), growing both revenues and trading, and delivered market-leading services for our valued clients.

This is in no small part down to the hard work of our staff who pride themselves on going above and beyond for our clients. MUA is an iconic trans-continental brand which has a proud history and I am confident to say that the best is yet to come. I would like to highlight some of the many achievements of 2022 and outline why we are so excited for the future.

Delivering Unrivalled Services

Our goal is to be the number one service provider of affordable, diversified insurance products. To achieve this, our mission is to efficiently deliver insurance products leveraging on technological innovations, improved systems and ensuring a competitive workforce.

In our continued efforts to serve our clients better, we've had to review our product lines to identify pockets of improvement. For us our strategy is not just to grow, but rather nurture a sustainable ecosystem by focused on empowering our distribution channels. The results we have managed to achieve in 2022 in terms of financials are speaking for themselves.

We had a target of launching our digital platform this ending fiscal year, to serve our clients better especially on the retail side. The preliminaries went on for six (6) months, yet by close of 2022, had not obtained final approval from the regulator. Fortunately, we learnt a lot and are now better prepared to launch it at the earliest next fiscal year.



Overall, the business has done well on all key metrics and also achieved a lot in terms of expanding our distribution channels; we have grown our branches, agencies, business partnerships with several community associations.

Following the revision of the marketing strategy, we significantly improved our marketing budget with a view to competitively repackage our products. We pride ourselves as the pioneers of **“insurance bundling”**, in which, for instance, we bundle our motor and property products to benefit the retail clients.

“Fantastic service from the MUA today. I received my car Insurance renewed in minutes, got me going again in 20minutes max. Didn’t have to go to their branch, everything done at the comfort of my office via smart phone. Great! Worth every penny”

**Mansul KAKIMBA,
Motor Insurance Client.**

A Year of Change in Insurance

Continuing the trends outlined at the end of 2021, the wider insurance environment has remained fluid, with the effects of the pandemic creating a unique combination of challenges. Having delivered strong growth in the best part of the year, we evolved our stance by balancing growth and profitability and ensuring robust underwriting disciplines in our underwriter in light of a particularly competitive pricing environment.

During this period, we have also facilitated a smooth transition to meet the BNR requirements, have further strengthened our direct to consumer and cross selling activities and have further expanded footprint and capability in our insurance underwriter. As we look ahead, and notwithstanding the near-term disruption, we remain confident in the quality of our insurance business.

Consolidation Our Market Share

The Rwanda Insurance market size grew by about USD15Million in 2022. MUA Rwanda grew from USD8.2Million in 2021 to USD9.5Million in 2022; a margin of over USD1.3Million. This represents a market share of about 22.7%. Our market share remains solid, swinging between 4th and 6th, even though we don't provide life and medical products as some of our archrivals in the market

The Distribution Transition Agenda

Our distribution channel is made up of agents, branches and brokers and each of them grew both in terms of business and volumes. The significant increase in Agents numbers is an indication that more and more people want to work with us. For the branches, we did not grow as much as we wanted. Next year we will see more growth in this area, aiming at having a branch in every district. We registered one more new Broker, but in terms of business, quotations our brokerage portfolio grew exponentially in 2022. We restructured the way we serve our distribution chain. We now have dedicated teams serving our distribution business partners.

Partnerships

Partnerships have enhanced our distribution networks, for instance, during 2022; we signed MOUs with Indian Association in Rwanda and the BAR Association. Through such partnerships, we hope for sustainable business and relationships with their members. We have also engaged into a new partnership with PSF (Private Sector Federation), Rwanda's umbrella organization for the business fraternity.

The PSF partnership allows us to engage with its members to learn more, and also explore strategic business partnerships. Under this arrangement, we are part of all PSF's outward missions aimed at attracting foreign investments into the country—allowing us to position ourselves as an insurer of choice for business undertakings.



Tightening the Grip on Operations

Risk Management

Risk management is the cornerstone of what we do, for it translates into every product we sell. We have introduced Governance Committees and empowered them with tools to review products and risks associated.

A Year of Change in Insurance

contracts and assess and guide management on product pricing.

The Governance Committees are composed of independent parties from other departments to give unbiased opinion on risk assessment. Reports from committees are reviewed by the board on quarterly basis.

We have improved several areas of the systems and processes, while orienting our staff on the purpose of having efficient and customer-driven systems. As a new development, we have instituted weekly reporting on all key areas of operation, capitalizing on the “KYC-Know Your Customer” system while keeping tabs on all key areas that the regulator expects us to observe and improve.

Claims Settlement

Generally, we have improved the claim settlement. Notably, for claims below RWF1Million we settle them within 48hours

We have made fundamental reforms in the governance of claims to guarantee quicker valuation and processing within the policy framework and support of eternal expert to verify before a final decision is made.

We are working around the clock to launch our digital platform. We anticipate this will take us miles ahead in terms of claims recording, processing, valuation and settlement especially for the retail segment.

Community Engagement

One of the four (4) pillars of MUA Strategic Plan is “Community”. During this period, we had several areas of engagement with the community, especially through improved communication and access to our services. Clients can now reach us through a toll free number 2323, which is supported by a mini call centre operating 24/7. Insurance is a way of life, so we must be available to serve our clients all the time.

We have seen an improvement in the figures on the number of clients that reach us via our mini call centre. We continue to improve various facets of the customer service domain. I would say, we’re undergoing a transition, and soon our clients will see a lot of changes aimed at serving them better.

Empowering Our Employees

Cognizant of the reality that insurance is quite a dynamic sector, in our strategic plan we’re focusing on empowering the employees to enable them competitively serve our clients.

The new capacity building program looks at packaging training programs that are aligned with the overall goals of the company to ensure a purposeful staff development agenda. In 2023, we shall roll out our new training program, in which among other things, we shall see key staff enrolling on professional programs in insurance.

As we reposition ourselves in the market, we envisage having the right people, equipped with the necessary skills and empowered with the right systems.



Repositioning MUA Rwanda

Joining MUA, I was thrilled by the level of enthusiasm and dedication amongst staff to deliver. I knew from the start that, pivoting the company in such conducive environment would be simple.

My initial assessment of the situation at hand was that, there was urgent need of harmonizing the strategy of the Company's strategic agenda; vision, mission, values goals and objectives. It required a deeper understanding of the situation and thorough benchmarking, in order to make a relevant and sustainable strategy.

There was need to orient the teams in terms of translating the company's strategic agenda into their individual work processes; thus reshaping our corporate culture. We have introduced town halls every quarter, where we interact and gather feedback from ourselves.

Notably, we have improved the governance of our staff by instilling a staff committee to resolve issues amongst themselves. Grievances that need management's attention can then be passed on to the Human Resource and escalated to top management for immediate solutions. In all managerial decisions concerning a given staff member, there must be a staff representative or the entire staff committee.

Through this new governance system, we have unearthed so many challenges that previously affected performance. We learnt that staff packages needed to be improved, we

learnt that our staff needed more tailor-made trainings, team building, and better working environment. We have improved staff packages, taking into consideration the high inflation on the market. We have improved the working environment at the head office to depict the strong brand that we truly are.

There's improved cohesion among staff, exemplified by a number of social engagements like birthday celebrations, and that has greatly improved the internal brand of the company. I endeavor to encourage open-door policy to all staff regardless of their status in the company, and that has greatly improved interpersonal communication.

Generally, the positive performance in terms of policy portfolio and profitability this ending year (2022) is a true reflection of progress amongst our staff and systems.

I would like to thank all our colleagues for going above and beyond this year, for their resilience in challenging periods and their dedication to our clients and business partners, this is why MUA now shaking the market, and positioned to continue to doing so.

Finally, a resounding appreciation to our clients on their continued support and loyalty. We thank you!





Board Of Directors 2022



Nikesh PATEL
Chairman

Nationality:

Mauritian

Status:

Independent

Date of Appointment:

14th December 2021

Qualification:

Bachelors In Geo-Chemistry

Profile:

Nikesh conducts business in many African countries and across a number of sectors including telecoms, aviation, technology, agribusiness, etc. His experience ranges from large corporations to medium and small enterprises, as well as startups.



Ms. Aliza ALIBHAI
Director

Nationality:

Kenyan

Status:

Independent

Date of Appointment:

13th May 2021

Qualification:

BSc Economics from the University of Nottingham U.K and MSc Real Estate Economics & Finance from the London School of Economics

Profile:

She has been actively involved in setting up new companies in Kenya and in Southern Africa. She is a Director in various companies which include general insurance, micro lending, real estate, just to name a few. In her leisure time, she enjoys reading and commodity trading.



Mrs. Umwali MIREILLE
Director

Nationality:

Rwandan

Status:

Independent

Date of Appointment:

13th May 2021

Qualification:

Masters in Project Management

Profile:

She is a Project Management Consultant, an arbitrator and is also a Regulator and also a non-executive Director in an investment holding company with a diversified portfolio in mining, energy, research and development, health and agriculture sector. Previously, Mireille served in different positions including being a Chief Operations Officer, Chief Finance Officer and Managing Director of Ultimate Concepts Ltd, the company owning Kigali Convention Center and Radisson Blu Hotel, one of the leading conventions in Africa. She also served as the Resident Director of Prime Holdings Ltd from 2011 to 2017, a company operating in tourism sector. Mireille has rich experience in project management having served as the World Bank Funded Project (Urban Infrastructure City Management Project - UICMP) Coordinator in Rwanda from 2006 to 2011.



Mr. Jerome KATZ
Director

Nationality:

Kenyan

Status:

Non-Independent

Date of Appointment:

13th May 2021

Qualification:

Masters in Management ESCP Europe (Paris, France)

Profile:

Started his career in American Bank JP Morgan in Paris in 2006, then later on joined Feber Associates (now part of MUA) as the Manager. He now oversees group strategy, with extensive involvement in the Africa subsidiaries, strategic marketing and digitalization, and also supervises all the group investments and assets management activities.



**Mr. Bertrand
CASTERES**
Director

Nationality:

Mauritian

Status:

Non-independent

Date of Appointment:

1st December 2017

Qualification:

Master's degree in applied mathematics, actuarial science and finance and Executive MBA from HEC Paris (France).

Profile:

Worked in the internal audit department of Aviva Europe as audit senior manager in the financial management and actuarial audit department, conducting internal audit reviews in actuarial processes across Aviva's European subsidiaries. Involved in the implementation of Solvency II EU Directive within the Aviva Group. Joined MUA in January 2012 as head of internal audit and was appointed CEO in 2015.

Board Committee memberships: Assets and Liabilities Committee



**HERBERT
GATSINZI**
Director

Nationality:

Rwandan

Status:

Independent

Date of Appointment:

22nd May 2019

Qualification:

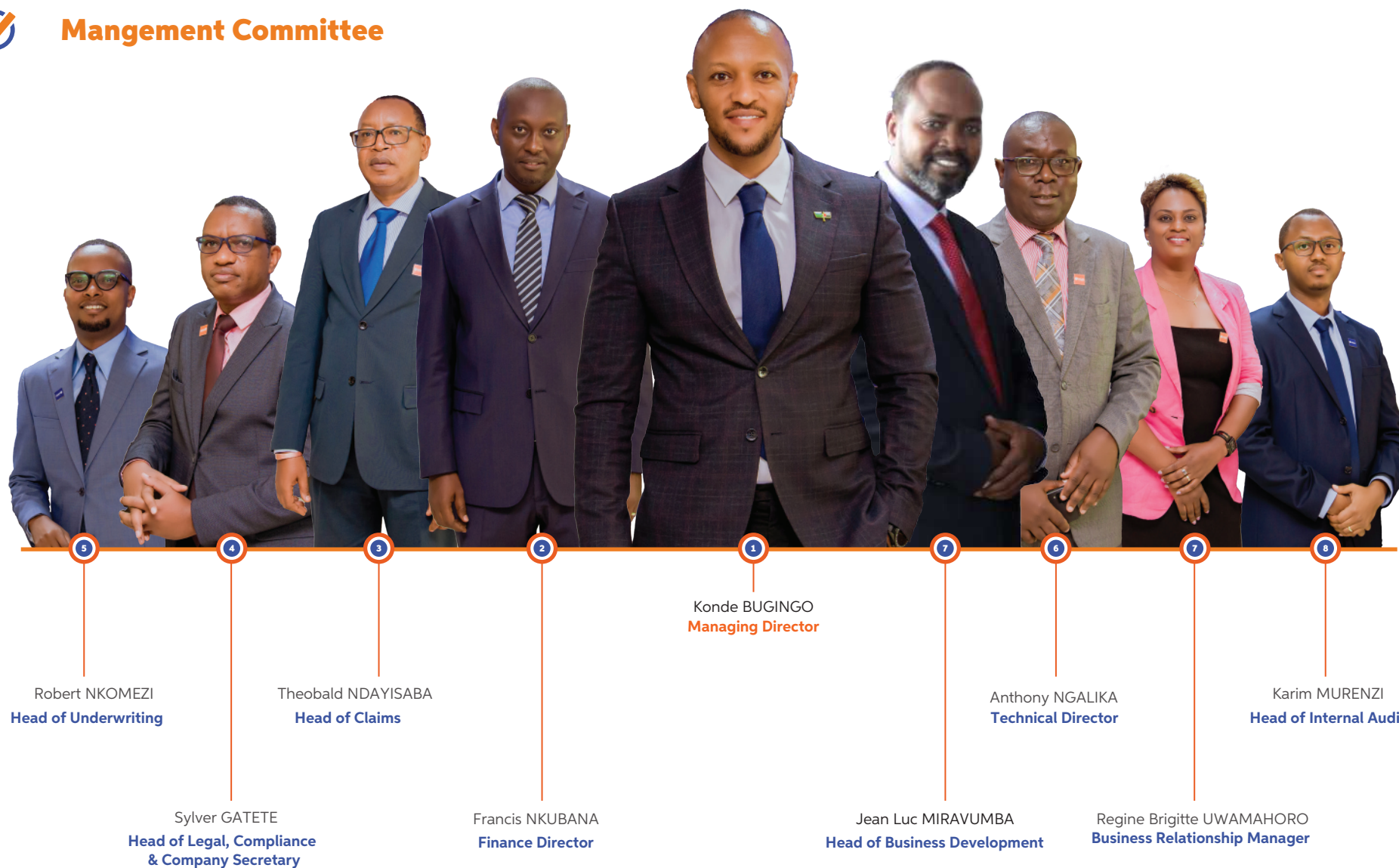
Tax Expert

Profile:

A highly experienced tax lawyer and advocate of courts of judicature of Rwanda, is a founding partner at the tax and finance focused law firm, Tax Sense Partners. Over the last 20 years of post qualification experience, he has consulted for nearly all the major players in Rwanda's economy in addition to the majority of the inbound investors in all areas of tax law including tax planning, tax structuring, tax compliance and reporting, international tax, tax dispute resolution and tax advocacy. In the late 1990s and 2000, He was a key member of the highly successful team that introduced VAT in Rwanda.



Mangement Committee





Statement of Corporate Governance

MUA Insurance (Rwanda) Limited (“the Company”) is committed to the best principles of corporate governance in running the operations of a Company. The Company ensures the compliance of all the rules, regulations and laws in the conduct of its business. The Company is administered in pursuit of earning credibility in the market and increasing value for the stakeholders. The decision making and powers are exercised with integrity, responsibility, accountability and transparency.



Board of Directors

The directors who served during the year ended 31 December 2022 are listed above. Though the overall responsibility of monitoring and controlling the operational and financial performance of the Company vests with the Board of Directors, the day-to-day management of the Company has been delegated to the Managing Director.



Board Committees

The Board has instituted various committees to assist it in fulfilling its role of monitoring key activities of the Company. The Board reviews the reports and minutes of the committees and is accountable of its decisions and functions.



Board Audit Committee

The Board Audit Committee comprises of three members. The Chairman who is an independent and non-executive director and two other non-executive directors. Its key objective is to assist the Board in providing an independent review of the effectiveness of the financial reporting process and internal control system of the Company. It reviews the performance and findings of the Internal Audit and Compliance function and recommend appropriate remedial action at least quarterly. The members are Ms. Mireille Umwali, - Chairman (independent), Herbert Gatsinzi (independent) and Mr. Jerome Katz (non-independent).



Board Risk Committee

The Board Risk Committee comprises three Directors. Its key objectives; to ensure that the Company has in place all the key elements of a sound risk management system and to oversee the Investment Policy of the organization. The Committee is mandated to set out the nature, role, responsibility and authority of the insurer’s risk management function and systems and outline the scope of risk management work and to ensure that Company holds sufficient assets of appropriate nature, term that enables it to meet all liabilities of the Company as they become due. It meets quarterly to monitor the Assets Liability Management strategy with the objective of making the optimum utilization of funds. The members are Ms. Liza Alibhai (non-independent), and Mr. Bertrand Casteres (non-independent).



Underwriting and claims strategy Board Committee

The Underwriting and claims strategy Board Committee is responsible for the review, approval, and monitoring of overall risk tolerance and risk appetite. It establishes the policy on fraud detection and prevention; Company's models and metrics to evaluate the underwritten risk; reviewing claims policies and procedures; review periodically the policies and guidelines governing the Company's insurance underwriting and reinsurance treaties; review on periodic basis, the Company's insurance underwriting and reinsurance processes and procedures; monitor compliance with approved underwriting policies and guidelines; review and approve acquisitions and disposals of lines of business, joint ventures and strategic equity investments; review and assess on a regular basis the policy on technical provisions of an insurer; review on a regular basis pricing's policy and strategy and review and approve re-insurance strategy of the insurer. The members are Mr. Herbert Gatsinzi - Chairman (independent), Mr. Bertrand Casteres (non-independent) and Mr. Jerome Katz (non-independent).

| Director | Ordinary WW board of directors meeting | Audit Committee | Risk management Committee | underwriting and claims strategy committee | Extra ordinary Board of directors meeting |
|-----------------------|--|-----------------|---------------------------|--|---|
| Mr. Nikesh Patel | 4/4 | - | - | - | 1/1 |
| Ms. Aliza Alibhai | 4/4 | - | 4/4 | - | 1/1 |
| Ms. Mireille Umwali | 4/4 | 4/4 | - | - | 1/1 |
| Mr. Jerome Katz | 4/4 | 4/4 | - | 4/4 | 1/1 |
| Mr. Bertrand Casteres | 4/4 | | 4/4 | 4/4 | 1/1 |
| Mr. Herbert Gatsinzi | 4/4 | 2/4 | - | 2/4 | - |



Management Committee

The Management Committee meets each week and comprises of the executive and senior staff. Its key objective is to monitor the implementation of overall strategy of the Company. The committee reviews Company's performance of all departments each month and particularly ensures that the Company's financial results are maintained.

| Executive | |
|--------------------|--------------------------------------|
| Konde Buggingo | Managing Director |
| Senior Managers | |
| Francis Nkubana | Finance Director |
| Sylver Gatete | Compliance and Company Secretary |
| Theobald Ndayisaba | Claims Senior Manager |
| Anthony Ngalika | Underwriting and Risk senior Manager |
| Miravumba Jean Luc | Business Development Manager |
| Robert Nkomezi | Underwriting manager |



Director's Report

The directors submit their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of MUA Insurance (Rwanda) Limited (the "Company").

Principal Activities

The principal activity of the Company is to provide insurance cover for general business.

Incorporation

The Company was incorporated on 13 April 2006 under Law No. 007/2021 of 05/02/2021 Governing Companies and is domiciled in Rwanda

Results

The financial results for the year are as below

| | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|----------------|
| Profit before income tax | 1,858,924 | 840,007 |
| Income tax expense | (563,646) | (254,270) |
| Profit for the year | 1,295,278 | 585,737 |
| Other comprehensive income (OCI) | 14,969 | 4,766 |
| Total comprehensive income for the year | 1,310,247 | 590,503 |

Dividend

The directors do not recommend payment of dividend in respect of the year ended 31 December 2022 (2021: Nil)

Auditors

The Company's auditor, KPMG Rwanda Limited was appointed during the year and has indicated willingness to continue in office in accordance with the regulation No 44/2022 of 02/06/2022 determining requirements and other conditions for accreditation of external auditors for regulated institutions.

Going Concern

The Directors have made an assessment of the ability of the Company to continue as going concern and, having taken into account all information at hand, have no reason to believe that the business will not be a going concern for at least the next twelve months from the date of this statement.

By Order of the Board Secretary

on.....30th.....March 2023



Statement of Directors Responsibilities

The Directors are responsible for the preparation of financial statements that give a true and fair view of MUA Insurance Company (Rwanda) Limited, as set out from page 11 to 62 which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies, in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies and Regulation N° 47/2022 of 02/06/2022 on publication of financial statements and other disclosures by insurers.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

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

The independent auditor is responsible for reporting on whether, based on their audit, the annual financial statements give a true and fair view in accordance with IFRS Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies and Regulation N° 47/2022 OF 02/06/2022 on publication of financial statements and other disclosures by insurers.

Approval of the financial statements

The financial statements herein were approved and authorized for issue by the Board of Directors and signed on its behalf by:

Director 

Director 

Date: 30th- March-2023



Our DNA



**Customer
Delight is key**

At MUA, customer delight is deeply embedded in our DNA. We know life can be unpredictable. We are committed to stand by our customers and enable them to plan for the vagaries of life with foresight and fortitude. Our customers drive us to constantly excel in the quality of products and services we offer. Their demands motivate us to exceed their expectations by focusing on innovation, global quality standards and service benchmarks.



**Committed to
Customer well-being**

At MUA, the needs of our customers take precedence over everything. It drives our approach and assures consistency and quality in each interaction. Our emphasis on integrity and transparency across the customer lifecycle – from policy advice to renewals and claims – reiterates our commitment to their well-being. It has over the years given us a reputation of being one of Rwanda's most agile and accessible brands.



**Technology
First Approach**

In an ever-evolving digital world, MUA has focused on building a robust technology infrastructure and continually enhancing it to deliver a delightful customer experience and also enable seamless operations for its sales and distribution channels.



**People
at the Heart**

Our people are core to our success. Their commitment at work and alignment with organisation's vision and goals is key to our success in the competitive world of General Insurance. They are the reason we are able to offer unmatched service standards and live up to our promises towards customers at all times.



Our Key Differentiators for Year 2022

| | |
|---|---|
| Consistent Market Leadership and Growth | <p>We are one of the leading private sector non-life insurance companies in Rwanda on the basis of GWP</p> <ul style="list-style-type: none">● 11% Market Share (on basis of GWP) |
| Diverse Product Portfolio and Multi-Channel Distribution | <p>We have a comprehensive and diverse product portfolio and an expanding distribution network. Our aim is to increase penetration in Rwanda, focusing on the countryside and bottom of the pyramid businesses.</p> <ul style="list-style-type: none">● +30 Reinsurance and Coinsurance arrangements● Eight (8) Branches across major satellite cities of Rwanda twelve (12) Branches around Kigali City |
| Excellence In Customer Service | <p>We have a comprehensive and diverse product portfolio and an expanding distribution network. Our aim is to increase penetration in Rwanda, focusing on the countryside and bottom of the pyramid businesses.</p> |
| Risk Management | <p>Risk selection and data analytics, maintaining robust reserves and prudent investment management enables us to target profitable growth.</p> |
| Capital Conservation | <p>We maintain a high level of solvency as against the minimum regulatory requirement.</p> |



Highlights of 2022 Activations



”

A customer is the most important visitor on our premises; he is not dependent on us. We are dependent on him.

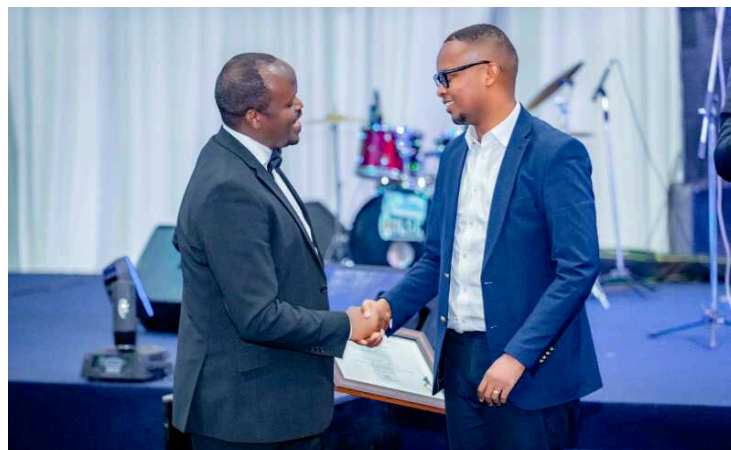
MUA Insurance Rwanda Ltd was happy to be part of the Indian Association of Rwanda (INAR) community and celebrate together their 75th independence



The 28th commemoration of the 1994 Genocide against the Tutsis, all MUA Insurance Rwanda Ltd staff led by the Managing Director visited Ntarama and Nyanza Genocide.



MUA signed a cooperation partnership with the BAR Association Rwanda



End of year staff party



MUA Rwanda was proud sponsor of EACCO Summit at Marriot Kigali Hotel, under the theme: Smartphone for All Initiative





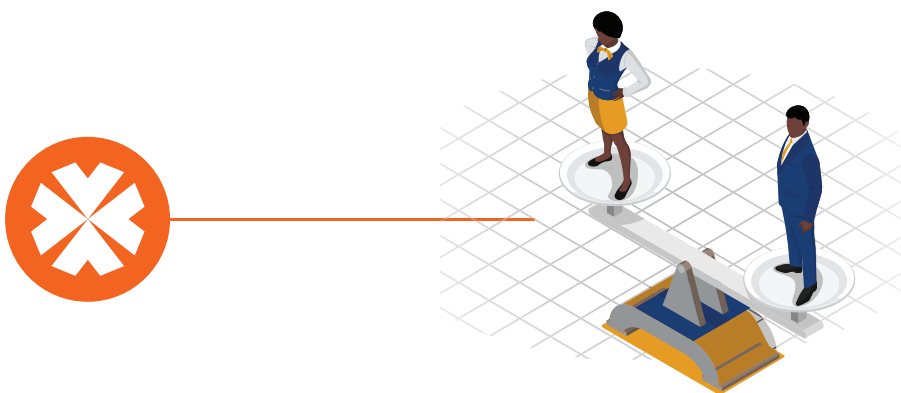
Human Resource Development





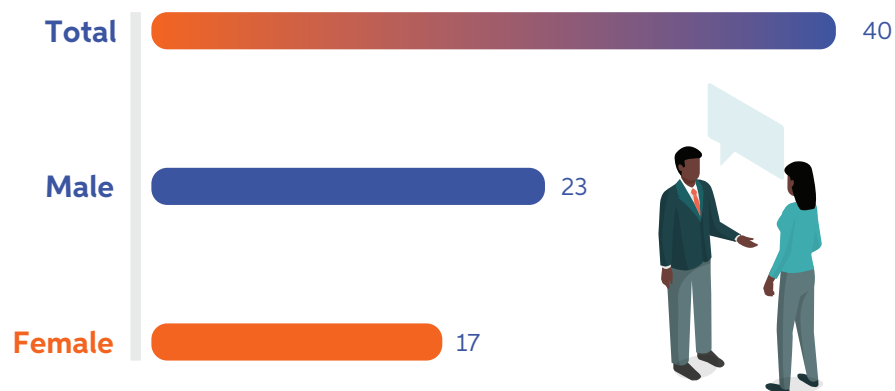
Staffing

MUA Insurance is an equal opportunity background. The company managed to company, observes equity and retain the top talents, only the HR employment is legitimately open to any Manager left the company in October capable citizen regardless of gender, 2022. race, religion, culture and ethnic



Gender Distribution

The table below shows the gender distribution as at the end of 2022:



Qualifications

Organizational performance is highly linked with the level of staff competencies. Majority of staff members are professionals in various relevant fields and are quite experienced. Currently there are eight (8) staff members with master's degree, 26

with Bachelor's degree, 4 with A Level and 4 below A level. Thirteen (13) staff are qualified with different professional courses, including ACCA/CPA, CII/ACII, CFA, CPAM and CISA.

| Type | Master's degree & above | Bachelor's degree | A level | Below A level | Professional qualification(Completed or ongoing) | | | |
|----------------------|-------------------------|-------------------|---------|---------------|--|----------|-----|----------------------------|
| | | | | | ACCA/CPA | CII/ACII | CAA | Others CPAM, CISA, CFA etc |
| Managerial staff | 6 | 2 | 2 | 2 | 1 | 1 | 0 | 1 |
| Non-managerial staff | 2 | 24 | 2 | 2 | 2 | 1 | 0 | 0 |
| Total | 8 | 26 | 2 | 2 | 3 | 2 | 0 | 1 |




NOTE:
MUA runs a continuous professional Development program (CPD) to meet the increasing capacity needs of the dynamic sector of Insurance, where staff benefit from refresher long and short-term courses and targeted trainings.

Staff Welfare

Annual Fitness Subscription:

All staff benefit full package subscription (annual) at WAKA Fitness Centre. As the adage goes; “A healthy body is a healthy mind”, MUA endeavors to keep her staff fit to enhance their productivity.

Fitness in the workplace can play a vital role in improving worker health and safety, resulting in a safer, healthier and more productive work environment. From reducing stress and absenteeism to improving mental health and job satisfaction, the benefits of promoting fitness in the workplace are numerous



Bidding farewell to our Colleague:

MUA rwanda was happy to receive the new group CEO and bid farewell to the outgoing Group CEO, Bertrand CASTERES. Joerg Weber, the new group CEO, is a Germany citizen and a resident of Mauritius. He holds a Master's in International Business (ESCP Business School) and Doctorate in Business Administration, Finance (Henley Business School). He began his career in banking before joining McKinsey & Company as Engagement Manager. He has over 26 years of experience in the insurance and investment sectors, twenty of those (years) he served at the Allianz Group. While at Allianz he occupied several executive roles in different European countries (Germany, Belgium, Netherlands). More recently he was CEO of Allianz Direct Benelux, before joining Allianz Maroc as CEO and the Allianz Africa board in 2018.

Call 2323

MUA Annual Integrated Report 2022



Independent Auditor's Report



OUR FINANCE TEAM



To the shareholders of MUA Insurance Company (Rwanda) Limited
Report on the audit of the financial statements

Opinion

We have audited the financial statements of MUA Insurance Company (Rwanda) Limited (the Company) set out on pages 11 to 62, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies and Regulation No. 47/2022 of 02/06/2022 on publication of financial statements and other disclosures by insurers.

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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Key Audit Matters

Valuation of insurance contract liabilities
Refer to notes 2(b), 4(d) and 28 of the financial statements

As at 31 December 2022, the valuation of the non-life insurance contract liabilities was Frw 6.08bn (2021: Frw 5.48bn). These non-life contract liabilities are measured in accordance with actuarial guidance in a manner allowed under IFRS 4: Insurance Contracts in the financial statements.

The key assumptions that drive the reserving calculations (determination of IBNR) are dependent on the reserving methodology used as described below:

- Projection of the gross claims and use of the proportion of the net gross historical claims paid to project the net IBNR;
- Implicit assumption that historical claims expenses estimate to expected claims adjusted for the impact of inflation
- the use of historical claim development ratios to estimate future claims
- judgements made for classes of contracts that do not have adequate historical data to accurately establish claims patterns.
- If the historical claims expense data used in calculating insurance liabilities, or for forming judgments over key assumptions, is not complete and accurate then material impacts on the valuation of insurance liabilities may arise.

How the matter was addressed in our audit

Our audit procedures in this area included

- Evaluating the key control (inspection of the review of data used by management's actuary and the actuarial report) around the claim reserving and settlement process which included assessing the design and implementation as well as the operating effectiveness of controls around the determination of insurance contract liabilities;
- Inspecting subsequent claims and subsequent claims payments to identify any unrecorded liabilities at the end of the year and to ascertain whether insurance claims liabilities recorded at year end were adequate;
- Involving our own actuarial specialists to evaluate the assumptions such as projection of the gross claims and use of the proportion of the net gross claims paid to project the net IBNR, implicit assumption on inflation, claim development ratios estimation and judgements such as judgements for classes of business with inadequate data made by management by comparing these to the international best practices and requirements of IFRS 4.
- Inspecting the reconciliation between the historical claims data included in the financial reporting systems and that used in the actuarial reserving calculations for consistency;



Key Audit Matters

- We determined the valuation of insurance contract liabilities to be a key audit matter due to the high degree of estimation uncertainty and significant judgement applied by management in the determination of the reported amounts.

How the matter was addressed in our audit

- Involving our own actuarial specialists to evaluate the assumptions such as projection of the gross claims and use of the proportion of the net gross claims paid to project the net IBNR, implicit assumption on inflation, claim development ratios estimation and judgements such as judgements for classes of business with inadequate data made by management by comparing these to the international best practices and requirements of IFRS 4.
- Inspecting the reconciliation between the historical claims data included in the financial reporting systems and that used in the actuarial reserving calculations for consistency;
- Using our own actuarial specialist to evaluate the reasonableness of the methodology used by management in the estimation of reserves against general accepted actuarial approaches; and
- Evaluating the adequacy of disclosures in the financial statements including disclosures of key estimates and judgements on insurance contract liabilities as required by IFRS 4 Insurance contracts.



Other Information

The Directors are responsible for the other information. The other information comprises the information included in MUA Insurance Company (Rwanda) Limited Report and Financial Statements for the year ended 31 December 2022 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.

Other matter relating to comparative information

The financial statements of the Company as at and for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 March 2022

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies and Regulation No. 47/2022 of 02/06/2022 on publication of financial statements and other disclosures by insurers, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

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

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

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



Auditor's responsibilities for the audit of the financial statements

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

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

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

Report on other legal and regulatory requirements

As required provisions of Article 135 of by the Law No. 007/2021 of 05/02/2021 Governing Companies, we report to you solely based on our audit of the financial statements, that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- Proper accounting records have been kept by the Company, so far as appears from our examination;
- We have no relationship, interest or debt with MUA Insurance Company (Rwanda) Limited. As indicated in our report on the audit of the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) which includes comprehensive independence and other requirements.
- According to the best of the information and the explanations given to us as the auditor, as shown by the accounting and other documents of the company, the annual accounts comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies.

The engagement partner on the audit resulting in this independent auditor's report is CPA Wilson Kaindi [PC/CPA/0642/0123].



- We have reported internal control matters together with our recommendations to management in a separate management letter.;
- According to the best of the information and the explanations given to us as the auditor, as shown by the accounting and other documents of the company, the annual accounts comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies.

The engagement partner on the audit resulting in this independent auditor's report is CPA Wilson Kaindi [PC/CPA/0642/0123].

KPMG Rwanda Limited
Certified Public Accountants
P. O. Box 6755
Kigali, Rwanda



Date: 31st-March-2023

MUA CLAIMS
DEPARTMENT



OUR CLAIMS DEPARTMENT TEAM

Statement of Comprehensive Income

| | Notes | 2022 Frw '000 | 2021 Frw '000 |
|---|-------|--------------------|--------------------|
| Gross premiums earned | 6 | 9,175,546 | 7,712,477 |
| Less: Insurance premiums ceded | 7 | (3,159,291) | (2,890,828) |
| Net earned premiums | | 6,016,255 | 4,821,649 |
| Gross claims paid | 8 | (8,008,147) | (3,111,377) |
| Less: Reinsurer share of claims | 8 | 4,807,830 | 812,575 |
| Change in outstanding claims | 9(a) | 81,912 | (907,476) |
| Change in incurred but not reported (IBNR) claims | 9(b) | (115,708) | (119,710) |
| Net insurance claims incurred | | (3,234,113) | (3,325,988) |
| Commission expenses | 10 | (1,010,519) | (770,864) |
| Fees and commission income | 11 | 970,562 | 867,580 |
| Net commission (expense)/earned | | (39,957) | 96,716 |
| Underwriting profit before management expenses | | 2,742,185 | 1,592,377 |
| Impairment expense on financial instruments | 35 | (251) | (8,872) |
| Expected credit losses on premium receivables | 23 | (19,689) | (246,626) |
| Administrative expenses | 12 | (2,115,532) | (1,498,292) |
| Underwriting profit/(loss) | | 606,713 | (161,413) |

| (Continuation) | Notes | 2022 Frw '000 | 2021 Frw '000 |
|--|-------|------------------|------------------|
| Investment income | 13 | 1,187,342 | 954,626 |
| Foreign exchange gains | 14 | 64,869 | 45,956 |
| Other income | 15 | - | 838 |
| Total investment and other income | | 1,252,211 | 1,001,420 |
| Profit before income tax | 16(c) | 1,858,924 | 840,007 |
| Income tax expense | | (563,646) | (254,270) |
| Net profit for the year | | 1,295,278 | 585,737 |
| Items that will not be reclassified subsequently to profit or loss | | | - |
| Change in fair value of equity instruments at fair value through other comprehensive income (net of tax) | 20 | 14,969 | 4,766 |
| Total comprehensive income for the year | | 1,310,247 | 590,503 |



Statement of Financial Position

| ASSETS | Notes | 2022 Frw '000 | 2021 Frw '000 |
|---|---------|-------------------|-------------------|
| Cash and cash equivalents | 26 | 826,950 | 880,772 |
| Short term deposit | 26(b) | 2,140,106 | 3,544,940 |
| Government securities at amortised cost | 19 | 8,586,613 | 7,634,174 |
| Long term deposits at amortised cost | 26b(ii) | - | 398,160 |
| Financial assets measured fair value through other comprehensive income | 20 | 139,502 | 118,118 |
| Premiums outstanding | 23 | 1,299,785 | 1,007,300 |
| Sundry receivables | 24 | 182,083 | 104,238 |
| Due from related parties | 25(a) | - | 28,627 |
| Reinsurance assets | 21 | 4,744,497 | 6,411,246 |
| Deferred acquisition cost | 22(i) | 450,871 | 430,438 |
| Property and equipment | 17 | 54,094 | 37,632 |
| Intangible assets | 18 | 39,827 | 68,470 |
| Deferred income tax asset | 16(a) | 243,330 | 202,314 |
| Right-of-use assets | 33 | 206,471 | 246,871 |
| Total Assets | | 18,914,129 | 21,113,300 |

Continuation

| EQUITY AND LIABILITIES | Notes | 2022 Frw '000 | 2021 Frw '000 |
|---|--------|-------------------|-------------------|
| LIABILITIES | | | |
| Current income tax | 16(b) | 307,642 | 71,258 |
| Due to related parties | 25(b) | 46,542 | 33,143 |
| Sundry payables | 29 | 2,639,303 | 2,712,058 |
| Reinsurance payables | 30 | 471,618 | 629,889 |
| Insurance contracts liabilities | 28 | 8,288,139 | 11,681,102 |
| Deferred commission income | 22(ii) | 328,858 | 431,801 |
| Lease liability | 33 | 270,709 | 302,978 |
| Total Liabilities | | 12,352,811 | 15,862,229 |
| EQUITY | | | |
| Share capital | 27(a) | 3,000,000 | 1,000,000 |
| Fair value through other comprehensive income reserve | 20 | 66,540 | 51,571 |
| Retained earnings | 27(b) | 3,494,778 | 4,199,500 |
| Total Equity | | 6,561,318 | 5,251,071 |
| Total Equity & Liabilities | | 18,914,129 | 21,113,300 |

These financial statements were approved by the Board of Directors on
30th-March.....2023 and signed on its behalf by: -

Director



Director



Statement of Changes in Equity

| Notes | Share Capital Frw '000 | FVOCI Reserve Frw '000 | Retained Earnings Frw '000 | Total Frw '000 |
|---------------------------------------|---------------------------|---------------------------|-------------------------------|-------------------|
| At 1 January 2021 | 1,000,000 | 46,805 | 3,613,763 | 4,660,568 |
| Profit for the year | - | - | 585,737 | 585,737 |
| Other comprehensive income 20 | - | 4,766 | - | 4,766 |
| Total comprehensive income | | 51,571 | | |
| Transactions with owners | - | - | - | - |
| As at 31 December 2021 | 1,000,000 | 51,571 | 4,199,500 | 5,251,071 |
| At 1 January 2022 | 1,000,000 | 51,571 | 4,199,500 | 5,251,071 |
| Profit for the year | - | - | 1,295,278 | 1,295,278 |
| Other comprehensive income 20 | - | 14,969 | - | 14,969 |
| Total comprehensive income | | 66,540 | | |
| Transactions with owners | | | | |
| Recapitalisation of retained earnings | 2,000,000 | - | (2,000,000) | - |
| As at 31 December 2022 | 3,000,000 | 66,540 | 3,494,778 | 6,561,318 |



Statement of Cash Flows

| Cash flows from operating activities | Notes | 2022 Frw '000 | 2021 Frw '000 |
|---|-------|------------------|------------------|
| Profit before income tax | | 1,858,924 | 840,007 |
| Adjustment for; | | | |
| Depreciation of property and equipment | 17 | 28,225 | 25,636 |
| Amortisation of intangible assets | 18 | 33,443 | 33,232 |
| Interest income | 33(a) | (1,184,293) | (959,287) |
| Provision for bad debts | 23 | 19,689 | 246,626 |
| Impairment provision | 35 | 14,312 | 14,454 |
| Depreciation of right-of-use assets | 13 | 48,581 | 47,023 |
| lease modification | 33 | (3,978) | - |
| Interest expense on lease liabilities | 33 | 44,783 | 49,950 |
| Dividend income | 13 | (14,143) | (7,165) |
| Operating profit before changes in working capital | | 845,543 | 290,475 |
| Changes in working capital | | | |
| Premiums outstanding | | (312,174) | (653,857) |
| Reinsurance assets | | 1,666,750 | (1,560,269) |
| Deferred acquisition costs | | (20,433) | (56,827) |
| Deferred commission income | | (102,943) | (21,283) |
| Due from related parties | | 28,627 | (8,056) |

(Continuation)

| Cash flows from operating activities | Notes | 2022 Frw '000 | 2021 Frw '000 |
|---|-------|--------------------|--------------------|
| Sundry receivables | | (77,846) | (55,421) |
| Insurance contract liabilities | | (3,392,963) | 3,050,587 |
| Sundry payables | | (72,755) | 817,565 |
| Due to related parties | | 13,399 | (15,866) |
| Insurance payables | | (158,270) | (447,392) |
| Cash (used in)/generated from operating activities | | (1,583,065) | 1,339,656 |
| Interest paid on lease liabilities | | (44,783) | (49,950) |
| Income tax paid | 16(b) | (374,693) | (375,716) |
| Net cash (used in)/generated from operating activities | | (2,002,541) | 913,990 |
| Cash flow from investing activities | | | |
| Purchase of property and equipment | 17 | (44,686) | (16,331) |
| Purchase of intangible assets | 18 | (4,800) | (43,093) |
| Interest received | 13 | 1,184,293 | 959,287 |
| Dividends received | 13 | 14,143 | 7,165 |
| Investment in government securities at amortised cost | | (964,794) | (1,771,739) |
| Purchase of the investment in short term deposits | | (550,863) | (685,538) |
| Proceeds from investment in short term deposits at amortised cost | | 2,351,558 | - |
| Net cash generated from/ (used in) investing activities | | 1,984,851 | (1,550,249) |

(Continuation)

| Cash flows from financing activities | Notes | 2022 Frw '00 | 2021 Frw '00 |
|--|-------|-----------------|-----------------|
| Payment of principal portion of lease liabilities | 26(d) | (36,472) | (32,993) |
| Net decrease in cash and cash equivalents | | (54,162) | (669,252) |
| Cash and cash equivalent at the beginning of the year | | 883,888 | 1,553,140 |
| Cash and cash equivalent at the end of the year | | 829,726 | 883,888 |
| Reconciled to; | | | |
| Cash in hand | 26(c) | 8 | 9,126 |
| Cash at bank | 26(c) | 829,718 | 874,762 |
| | | 829,726 | 883,888 |

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Notes to the Financial Statements





Notes

1. Reporting entity

MUA Insurance (Rwanda) Limited is a Company limited by shares, registered and domiciled in Rwanda and licensed under the Law No. 007/2021 of 05/02/2021 Governing Companies in Rwanda. The address of its registered office and principal place of business is stated in page 1. The majority shareholder is MUA Kenya Ltd, which owns 54.99% of the Company's shares.

Basis of Preparation

The financial statements of the Company have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies and Regulation No. 47/2022 of 02/06/2022 on publication of financial statements and other disclosures by insurers.

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

Historical cost convention

The financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities that have been measured at fair value. The financial statements are presented in thousands of Rwandan Francs (Frw'000).

The Company presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in the respective notes.

Functional and presentation currency

The financial statements are presented in Rwanda Francs (Frw), which is the company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. Summary of significant accounting policies

(a) Changes in accounting policies and disclosures

(i) New and amended standards adopted by the Company

The Company has adopted the following new standards and amendments during the year ended 31 December 2022, including consequential amendments to other standards with the date of initial application by the Company being 1 January 2022:

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)



Some contracts may be loss-making from the outset or become loss-making during

their life cycle. There may be various drivers for a loss-making contract, including external factors and a company's own strategy.

Companies previously applying the 'incremental cost' approach will need to recognise bigger and potentially more provisions for onerous contracts. This follows recent amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, which clarify the types of costs a company includes as the 'costs of fulfilling a contract' when assessing whether a contract is onerous.

Following the withdrawal of IAS 11 Construction Contracts, companies apply the requirements in IAS 37 when determining whether a contract is onerous. These requirements specify that a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e., the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits.

While IAS 11 specified which costs were included as a cost of fulfilling a contract, IAS 37 did not, which led to diversity in practice. The International Accounting Standards Board's amendments address this issue by clarifying those costs that comprise the costs of fulfilling a contract.

The amendments clarify that the 'costs of fulfilling a contract' comprise both:

- The incremental costs - e.g. direct labour and materials; and
- An allocation of other direct costs - e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

This clarification is unlikely to affect companies that already apply the 'full cost' approach, but those that apply the 'incremental cost' approach will need to recognise bigger and potentially more provisions.

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.



Annual Improvements to IFRS Standards 2018–2020 As part of its process to make non-urgent but necessary amendments to IFRS Standards, the International Accounting Standards Board (the Board) has issued the Annual Improvements to IFRS Standards 2018–2020.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

- IFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

- IFRS 9 Financial Instruments

This amendment clarifies that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- IFRS 16 Leases, Illustrative Example 13

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

- IAS 41 Agriculture

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

The amendments did not have a significant impact on the company's financial statements.

Property and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

In the process of making an item of PPE available for its intended use, a company may produce and sell items e.g. minerals extracted in the process of constructing an underground mine or oil and gas from testing wells before starting production.

To address diversity in practice, the International Accounting Standards Board (the Board) has amended IAS 16 Property, Plant and Equipment to provide guidance on the accounting for such sale proceeds and the related production costs.

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.



Companies will therefore need to distinguish between:

- Costs associated with producing and selling items before the item of PPE is available for use; and
- Costs associated with making the item of PPE available for its intended use.

Making this allocation of costs may require significant estimation and judgment. Companies in the extractive industry may need to monitor costs at a more granular level.

The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance e.g. assessing whether the PPE has achieved a certain level of operating margin.

No disclosure requirements have been added to IAS 16 for sales of items that are an output of a company's ordinary activities: the disclosure requirements of IFRS 15 Revenue from Contracts with Customers and IAS 2 will apply in such cases.

However, for the sale of items that are not part of a company's ordinary activities, the amendments require the company to:

- Disclose separately the sales proceeds and related production cost recognised in profit or loss; and
- Specify the line items in which such proceeds and costs are included in the statement of comprehensive income.

This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

Although the amendments are not effective until 2022, companies will need to consider including IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors disclosures in their next annual financial statements.

The amendments did not have a significant impact on the company's financial statements.

Reference to the Conceptual Framework (Amendments to IFRS 3)

IFRS 3, Business Combinations specifies how an entity should account for the assets and liabilities it acquires when it obtains control of a business. IFRS 3 requires an entity to refer to the Conceptual Framework for Financial Reporting (Conceptual Framework) to determine what constitutes an asset or a liability.

Originally, IFRS 3 required an entity to refer to the version of the Conceptual Framework that existed when IFRS 3 was developed. The purpose of this project was to update IFRS 3 to require an entity to refer instead to a later version issued in March 2018.

The Board completed this project in May 2020 by issuing amendments to IFRS 3. The amendments updated the reference to the Conceptual Framework. They also added to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some

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types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Board added this exception to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognized some liabilities on the acquisition of a business that it would not recognize in other

circumstances. Immediately after the acquisition, the entity would have had to derecognize such liabilities and recognize a gain that did not depict an economic gain.

The Board expects this exception to remain in IFRS 3 for as long as the definition of a liability in IAS 37 differs from the definition in the latest version of the Conceptual Framework. The Board plans to consider aligning the definitions as part of a project to make targeted improvements to IAS 37.

The amendments to IFRS 3 are effective for business combinations occurring in reporting periods starting on or after January 1, 2022. Earlier application is permitted.

The amendments did not have a significant impact on the company's financial statements.

(ii) New and amended standards that have been issued but are not yet effective

The following new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2022 and have not been applied in preparing these financial statements.



| New standards or amendments | Effective for annual periods beginning on or after |
|--|---|
| Disclosure of Accounting Policies -Amendments to IAS 1 and IFRS Practice Statement 2 | 1st January 2023 |
| Classification of Liabilities as Current or Non-current (Amendments to IAS 1) | 1st January 2023 |
| Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice statement 2) | 1st January 2023 |
| Definition of Accounting Estimates (Amendments to IAS 8) | 1st January 2023 |
| Deferred Tax relating to Assets and Liabilities arising for a Single Transaction (Amendments to IAS 12) | 1st January 2023 |
| IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts and IFRS 9 Comparative information | 1st January 2023 |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | Available for optional adoption/ effective date deferred indefinitely |
| Lease liability in a sale and leaseback (Amendment to IFRS 16) | 1st January 2024 |

Adoption of IFRS 17

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

IFRS 17 provides consistent principles for all aspects of accounting for insurance contracts. It removes existing inconsistencies and enables investors, analysts and others to meaningfully compare companies, contracts and industries.

The Company will apply IFRS 17 and IFRS 9 for the first time on 1 January 2023. This standard will bring significant changes to the accounting for insurance and reinsurance contracts and financial instruments and are expected to have a material impact on the company's financial statements in the period of initial application.

Identifying contracts in the scope of IFRS 17 in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation feature (DPF).

When identifying contracts in the scope of IFRS 17, in some cases the Company will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Company does not expect significant changes arising from the application of these requirements.

For investment contracts with DPF, under IFRS 4 the Company separately identifies and classifies part of the DPF as equity. Under IFRS 17, the Company will consider all of the discretionary benefits in the measurement of the liabilities. In addition, these contracts are currently subject to the disclosure requirements of IFRS 7 Financial Instruments: Disclosures and some of the presentation requirements of IAS 32 Financial Instruments: Presentation. On transition to IFRS 17, they will no longer be subject to those requirements because the presentation and disclosure requirements of IFRS 17 will apply to them.



Level of Aggregation

Under IFRS 17, insurance contracts and investment contracts with DPF are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Company are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e., by year of issue) and each annual cohort into three groups:

- Any contracts that are onerous on initial recognition.
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and any remaining contracts in the annual cohort.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contract Service Margin (CSM), against losses on groups of onerous contracts, which are recognized immediately. Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e., portfolio of contracts level), the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

Contract Boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Company expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognized contracts, as opposed to future unrecognized contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17

Insurance Contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- The Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.



Investment contracts with discretionary participation features

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- Has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- Has a substantive right to terminate the coverage.

Some of the Company's quota share reinsurance contracts cover underlying contracts issued within the annual term on a risk-attaching basis and provide unilateral rights to both the Company and the reinsurer to terminate the attachment of new underlying contracts at any time by giving three months' notice to the other party.

Currently, the measurement of these reinsurance contracts generally aligns with that of the underlying contracts and considers only underlying contracts already ceded at the measurement date. However, under IFRS 17 cash flows arising from underlying contracts expected to be issued and ceded after the measurement date, in addition to those arising from underlying contracts already ceded, may be within the boundaries of the reinsurance contracts and may have to be considered and estimated in their measurement.

Measurement – Overview

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Company group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts that are substantially investment-related service contracts under which the Group promises an investment return based on underlying items; they are contracts for which, at inception:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

.All insurance contracts and investment contracts with DPF in the Participating segment are expected to be classified as direct participating contracts. Shadow accounting will no longer be applied to these contracts. To avoid accounting mismatches between these contracts and their underlying items, the group will:



For investment contracts with DPF, the cash flows are within the contract boundary if they result from a substantive obligation of the Company to deliver cash at a present or future date. The Company has no substantive obligation to deliver cash if it has the practical ability to set a price for the promise to deliver the cash that fully reflects the amount of cash promised and related risks.

Premium allocation approach (PAA)

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

The Company expects that it will apply the PAA to all contracts in the non-life segment because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.

Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

The Company will apply IFRS 17 and IFRS 9 for the first time on 1 January 2023. These standards will bring significant changes to the accounting for insurance and reinsurance contracts and financial instruments and are not expected to have material impact on the Company's financial statements in the period of initial application.

Estimated impact of the adoption of IFRS 17 and IFRS 9

The Company is in the process of estimating the impact that the initial application of IFRS 17 and IFRS 9 will have on its financial statements and therefore, the Company has not disclosed known or reasonably estimable information relevant to assessing the possible impact that the application of IFRS 17 and IFRS 9 will have on its financial statements in the period of initial application that was available when the 2022 financial statements were authorised for issue.

The company is in the process of development of IT systems, governance framework, assumptions, judgements, estimation techniques new accounting processes and internal controls required to apply

IFRS 9 and 17 using an external consultant and internal staff. The Company will restate comparative information on adoption of IFRS 17 and IFRS 9. The Company has applied IFRS 9 requirements on government securities, fixed deposits investments, amounts due to related parties and staff loans. Refer to note 35.

(iii) Classification

The Company issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Company defines as significant insurance risk, the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Insurance contracts issued by the Company are classified as general insurance business based on the duration of the risk insured. Classes of general insurance include fire, accident, motor, marine, bond and Miscellaneous insurance (i.e., class of business not included under those listed above).



Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the fire insurance business.

Miscellaneous accident insurance business means contracts of insurance other than motor, fire, engineering, marine and bond insurance. This insurance covers a variety of risks including personal accident, liability insurance, fidelity insurance etc.

Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.

Marine insurance business means the business of insurance that covers cargo losses or damage caused to ships, cargo vessels, terminals, and any transport in which goods are transferred or acquired between different points of origin and their final destination.

Bond insurance business means insurance that a bond issuer purchases that guarantees the repayment of the principal to the bondholders in the event of default. Short term business is normally of single-year duration

(b) Insurance Contracts

(i) Recognition and measurement

1. Premium income

is recognised on assumption of risks and includes estimates of premiums due but not yet received less unearned premium. Unearned premiums represent the proportion of the premiums written in periods up to the accounting date that relates to the unexpired terms of policies in force at the financial reporting date and is computed using the 365ths method. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

2. Claims and policyholder benefits payable

Claims incurred comprise claims paid in the year and changes in the provision for outstanding claims. Claims paid represent all payments made during the year, whether arising from events during that or earlier years. Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the financial reporting date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed and include provisions for claims incurred but not reported ("IBNR"). Outstanding claims are not discounted.

3. Commissions payable and deferred acquisition costs ("DAC")

A proportion of commission's payable is deferred and amortised over the period in which the related premium is earned. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the year end.



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4. Liability adequacy test

At each financial reporting date, liability adequacy tests are performed to ensure the adequacy of the insurance contract liabilities net of related DAC. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss.

5. Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Company assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is also calculated following the same method

used for these financial assets.

6. Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Company gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is also calculated under the same method used for these financial assets.

7. Salvage and subrogation reimbursements

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation). Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled.

The allowance is the amount that can reasonably be recovered from the disposal of the property. Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.



(c) Product classification

Insurance contracts are those contracts that the Company has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

(d) Intangible assets

Intangible assets relate to accounting software and are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life of 4 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

(e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount



That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

(f) Deferred expenses

Deferred acquisition costs (DAC)

Those direct and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts, are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognised as an expense when incurred.

Subsequent to initial recognition, DAC are amortised over the period in which the related revenues are earned. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in the profit or loss. DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognised when the related contracts are either settled or disposed of.

(g) Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Depreciation is provided on a straight line basis over the useful lives of the following classes of assets:

| | |
|--|-------|
| Motor vehicles | 25% |
| Furniture, fittings and office equipment | 25% |
| Leasehold improvements | 33.3% |
| Computer equipment | 50% |
| Intangible asset | 25% |

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognised in profit or loss as an expense. An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

(h) Financial Assets

(i) Classification

The company recognised deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments including regular way purchases and sales of financial assets are recognised on the trade date on which the company becomes a party to the contractual provisions of the instrument.

The Company classifies its financial assets in the following measurement categories:



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- Those to be measured subsequently at fair value through Other Comprehensive Income (OCI) and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI).

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets at amortised cost include deposits with financial institutions, Government bonds, and other assets whereas financial assets measured at fair value through other comprehensive income include shares in BRALIRWA and the Bank of Kigali Plc

The Company has the following types of financial assets that are subject to IFRS 9 expected credit loss model:

- Receivables due from sister companies
- Government securities at amortised cost
- Bank balances and term deposits with financial institutions

The measurement category and the carrying amounts of financial assets as per IFRS9 as at 31 December 2021 is as follow:

| Financial Assets | Measurement Caegory | Exposure Default (EAD) Frw '000 | Expected Credit loss (ECL) Frw '000 | Carrying Amount Frw '000 |
|---|---------------------|---------------------------------|-------------------------------------|--------------------------|
| Long term fixed deposits investments | Amortised cost | 403,737 | 1,840 | 401,897 |
| Short term fixed deposits investments | Amortised cost | 3,554,018 | 12,814 | 3,541,204 |
| Treasury bills | Amortised cost | 1,886,622 | 8,678 | 1,877,944 |
| Government bonds | Amortised cost | 5,793,340 | 26,649 | 5,766,691 |
| Due from related parties | Amortised cost | 31,958 | 3,331 | 28,627 |
| Demand deposit balances | Amortised cost | 874,762 | 3,116 | 871,646 |
| FVOCI (Investments in equity instruments) | FVOCI | 118,118 | - | 118,118 |
| Total | | 12,662,555 | 56,428 | 12,606,127 |



Reconciliation of expected credit losses for financial assets measured at amortised cost for the period

| 31 December 2022 | | | | | |
|---------------------------------------|---------------|-----------------------------|---------------------------|----------------------------|---------------|
| Financial Assets | Opening ECL | ECL on new exposures raised | Subsequent changes in ECL | Income Statement Movements | Closing ECL |
| Long term fixed Deposits Investments | 1,840 | - | - | - | 1,840 |
| Short term fixed Deposits Investments | 10,000 | 2,404 | 410 | 2,814 | 12,814 |
| Treasury bills | 2,845 | 8,678 | (3,003) | 8,678 | 8,678 |
| Government bonds | 24,310 | 5,365 | (3,026) | 5,076 | 26,649 |
| Due from related party | 2,491 | 840 | - | 840 | 3,331 |
| Demand deposit balances | 6,070 | | (2,954) | (2,954) | 3,116 |
| Total | 47,556 | 17,287 | (8,573) | 14,454 | 56,428 |

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(ii) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented within operating and other expenses in the statement of profit or loss.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).



- Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss (FVPL). gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(iii) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

(iv) Classification of between debt and equity

A financial instrument is classified as debt if it has a contractual obligation to: Deliver cash or another financial asset to another entity, or Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

All other financial instruments other than debt explained above are recognised as equity. If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

(v) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Debt investments at amortised cost are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses.

Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the other receivables

Premium outstanding are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable.

Subsequent to initial recognition, premiums outstanding are measured at amortised cost. The carrying value of premiums outstanding is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement. Management considers the receivable to be impaired when the collection measures have been applied and collection has failed, and the balance is outstanding for more than 4 months. Premium's outstanding are derecognised when derecognition criteria for financial assets have been met.

Rights and obligations arising under an insurance contract as defined in IFRS 4 Insurance Contracts are outside the scope of IFRS 9.

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits held at call or for a term with the banks.

Cash and cash equivalents are assessed as low credit risk since all cash is held with selected banks and financial institutions and this is measured at amortised cost.



(i) Financial liabilities

In both the current and prior period, financial liabilities are classified and subsequently measured at amortised cost.

Financial liabilities are derecognised when they are extinguished (i.e., when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

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

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, minus directly attributable transaction costs. The Company's financial liabilities include, trade and other payables excluding insurance payables and collateral guarantee contracts.

Derecognition of financial liabilities

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

Insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

(j) Insurance payables

Insurance payables are recognised when due and measured on initial recognition at their fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Insurance payables are derecognised when the obligation under the liability is settled, cancelled or expired.



(k) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount included in outstanding or paid claims.

(l) Employee benefits

Defined contribution scheme

The Company and all its employees contribute to the Rwanda Social Security Board, which is a statutory defined benefit scheme.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided



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(m) Deferred Revenue

Deferred revenue includes the unearned premiums and other front-end fees. The unearned premiums are calculated on a daily pro rata basis and the proportion attributable to subsequent periods is deferred.

The other front-end fees received for rendering future investment management services relating, are deferred and recognised as revenue when the related services are rendered.

(n) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits expected to be received under it. The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

(o) Equity movements

Ordinary share capital

The Company has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

(p) Revenue recognition

Gross Premiums

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium; others are recognised as an expense. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or experience and are included in premiums written.



Reinsurance Premiums

Gross reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts.

Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

Reinsurance commission income

Commissions are charged on any policy reinsured as per the existing reinsurance treaty. These commissions are recognised as revenue over the period in which the related services are performed. Payments are made by netting off commissions from ceded premiums.

Profit commissions are charged on any policy reinsured as per the existing reinsurance treaty over and above the ceding commission as an encouragement for good quality underwriting and on profitability of the treaty. Payments are made by netting off the amount from ceded premiums and claims incurred

Investment income

Interest income is recognised in profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument..

Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend

Realised and unrealised gains and losses

Realised and unrealised gains and losses recorded in the profit or loss on investments include gains and losses on financial assets. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

(q) Benefits, claims and expenses recognition

Gross Benefits & Claims

Insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.



(r) Income Tax Expense

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the country where the Company operates and generates taxable income. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred income tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(s) Sales taxes and premium taxes

Revenues, expenses and assets are recognised net of the amount of sales taxes and premium taxes except:

- Where the sales or premium tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales or premium tax included outstanding net amounts of sales or premium tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(t) Foreign currency translation

The Company's financial statements are presented in Rwandan franc which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of differences on foreign monetary items that form part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the profit or loss. Tax changes and credits attributable to exchange differences on these items are also recorded in other comprehensive income

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgments and estimates are as follows:

The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims.

The Company uses both the Average Cost Per Claim (ACPC) method and the Basic chain ladder method (BCL). The method that outputs the highest reserves is what is recorded by management. The key methodology aspects and assumptions are:

- Projection of the gross claims and use of the proportion of the net gross claims paid to project the net IBNR;
- Implicit assumption of inflation,
- Claim development ratios estimation based on the cumulative claims development in each period and used to project the ultimate claims

The judgment is:

- Classes of business with inadequate data the triangles were combined into motor

and non-motor classes then the IBNR per class of business determined based on the gross earned premium proportions.

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). IBNR is determined using actuaries in accordance with the regulatory requirements.

In the current year, actuaries have determined that additional gross reserves of Frw 178 million in relation to incurred but not enough reported is booked.

Income Taxes

The Company is subject to income taxes under the Rwanda Income Tax Act. Significant estimates are required in determining the provision for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and the deferred income tax provisions in the period in which such determination is made.

Provisions on financial assets

The recognition of provisions involves assumptions about the probability, amount and timing of an outflow of resources embodying economic benefits. A provision is recognised to the extent that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made.

Significant increase of credit risk

Expected credit losses (ECL) are measured as an allowance equal to 12-month ECL for



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stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

Rights and obligations arising under an insurance contract as defined in IFRS 4 Insurance Contracts are outside the scope of IFRS 9.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration i.e., the customer has the rights to obtain substantially all of the economic benefits from using the asset; and direct the use of the asset

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any Initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term in addition, the right-of-use asset is periodically reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:



- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date:
- Amounts expected to be payable under a residual value guarantee, and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early
- The lease liability is measured at amortised cost using the effective interest method. Its remeasured when there is:
 - A change in future lease payments arising from a change in an index or rate;
 - A change in the amounts expected to be payable under a residual value guarantee
 - A change in the Company's assessment of whether it will exercise a purchase, extension or termination option; or
 - A revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-to-use asset has been reduced to zero

The Company presents its right-to-use assets and lease liabilities as a separate note in the statement of financial position.



Short-term leases and leases of low value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. The Company classifies all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Lease payments from operating losses are recognised as Income on a straight-line basis over the lease term and are included in other investment revenue

Short-term leases and leases of low value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

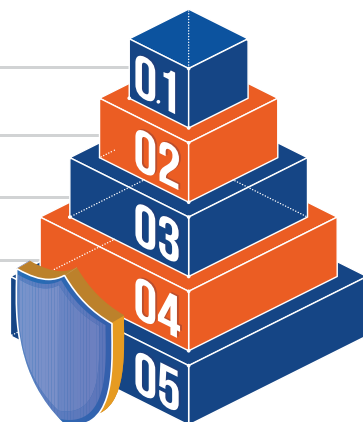
The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



4. Management of insurance and financial risks

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

- ✓ Credit risk
- ✓ Liquidity risk
- ✓ Market risk
- ✓ Insurance risk



This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations,

For all classes of financial assets held by the Company, other than those relating to reinsurance contracts as described in reinsurance risk, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position. The Company seeks to limit its credit risk with respect to customers by setting credit limit for individual customers and monitoring outstanding receivables. Premiums and insurance balances receivable comprise a large number of customers and insurance companies within Rwanda. The Company has exposure to credit risk, Key areas where the Company is exposed to credit risk are:



- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid; Amounts due from insurance contract holders;
- Amounts due from related parties
- Government securities at amortised cost
- Bank balances and deposits with financial institutions

Premiums outstanding

Premium outstanding are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable.

Subsequent to initial recognition, premiums outstanding are measured at amortised cost. The carrying value of premiums outstanding is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement. Management considers the receivable to be impaired when the collection measures have been applied and collection has failed, and the balance is outstanding for more than 4 months. Premium's outstanding are derecognised when derecognition criteria for financial assets have been met.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

A close-up photograph of a person's hand in a grey suit sleeve holding a dark blue passport and a white flight ticket. The ticket has some text, including "FLIGHT" and "BERGHE TO BERLIN". The background is blurred, showing what appears to be an airport or travel setting.

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| | 2022 Frw '000 | 2021 Frw '000 |
|---|-------------------|-------------------|
| Cash and cash equivalents and short-term deposits | 2,967,056 | 4,425,712 |
| Reinsurance asset | 4,744,497 | 6,411,246 |
| Premiums outstanding | 1,299,785 | 1,007,300 |
| Long term deposit at amortised cost | - | 398,160 |
| Due from related parties | - | 28,627 |
| Government securities at amortised cost | 8,586,613 | 7,634,174 |
| Staff loans | 6,019 | 1,911 |
| Cash held as guarantee | 34,977 | 7,772 |
| | 17,638,947 | 19,914,902 |

The ageing of the outstanding premiums at the reporting date was:

| | 2022 Frw '000 | 2021 Frw '000 |
|--------------------------------|------------------|------------------|
| Gross premium receivables | 1,862,144 | 1,549,970 |
| Less: allowance for impairment | (562,359) | (542,670) |
| Net premium receivables | 1,299,785 | 1,007,300 |

Ageing analysis of outstanding premium that is neither past due nor impaired as per government institution and private individual and companies.

| 2022 | 0 - 30 FRW'000 | 30 - 60 FRW'000 | 60 - 90 FRW'000 | 90 - 180 FRW'000 | Total FRW'000 |
|---|-------------------|--------------------|--------------------|---------------------|------------------|
| Government and International institutions | 91,056 | 21,980 | 31,691 | 14,472 | 159,199 |
| Private individuals and Companies | 195,989 | 547,028 | 248,133 | 149,436 | 1,140,586 |
| Total | 287,045 | 569,008 | 279,824 | 163,908 | 1,299,785 |

| 2022 | 0 - 30 FRW'000 | 30 - 60 FRW'000 | 60 - 90 FRW'000 | 90 - 180 FRW'000 | Total FRW'000 |
|---|-------------------|--------------------|--------------------|---------------------|------------------|
| Government and International institutions | 60,474 | 9,625 | 60,627 | 20,424 | 151,151 |
| Private individuals and Companies | 325,557 | 188,683 | 93,881 | 248,029 | 856,149 |
| Total | 386,031 | 198,308 | 154,508 | 268,453 | 1,007,300 |

(i) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its daily cash flow requirements and optimizes its cash return on investments by immediately investing any excess cash on hand. Typically, the Company ensures that it has sufficient cash



on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table provides an analysis of financial assets and liabilities of the Company into relevant contractual maturity based on the remaining periods to maturity. It also shows the applicable effective interest rates and the periods within which the financial assets and liabilities reprice.

| 2022 ASSETS | less than 3months FRW'000 | 3- 12 months FRW'000 | 1-5 years FRW'000 | After 5 years FRW'000 | Total FRW'000 |
|--|------------------------------|----------------------|-------------------|-----------------------|-------------------|
| Financial assets measured at fair value through other comprehensive income | - | - | - | 139,502 | 139,502 |
| Premium outstanding | 1,135,877 | 163,908 | - | - | 1,299,785 |
| Reinsurance assets | 3,544,496 | 1,200,000 | - | - | 4,744,496 |
| Short term deposit | - | 2,140,106 | - | - | 2,140,106 |
| Cash and cash equivalent | 826,950 | - | - | - | 826,950 |
| Government securities at amortised cost | 1,197,678 | 5,072,767 | 1,468,976 | 847,192 | 8,586,613 |
| At 31 December 2022 | 6,705,001 | 8,576,781 | 1,468,976 | 986,694 | 17,737,452 |
| LIABILITIES | | | | | |
| Insurance contract liabilities | 2,000,000 | 6,288,139 | - | - | 8,288,139 |
| Reinsurance payables | 471,618 | - | - | - | 471,618 |
| Sundry payables | 1,444,291 | 1,195,012 | - | - | 2,639,303 |
| leases | - | 81,255 | 325,020 | - | 406,276 |
| Due to related parties | 46,542 | - | - | - | 46,542 |
| At 31 December 2022 | 3,962,451 | 7,564,406 | 325,020 | - | 11,851,878 |
| Liquidity surplus | 2,742,550 | 1,012,375 | 1,143,956 | 986,694 | 5,885,574 |



| 2021 ASSETS | less than 3months FRW'000 | 3- 12 months FRW'000 | 1-5 years FRW'000 | After 5 years FRW'000 | Total FRW'000 |
|---|------------------------------|----------------------|-------------------|-----------------------|-------------------|
| Financial assets at fair value through other comprehensive income | - | - | - | 118,118 | 118,118 |
| Premium outstanding | 738,847 | 268,453 | - | - | 1,007,300 |
| Reinsurance assets | 5,411,246 | 1,000,000 | - | - | 6,411,246 |
| Due from related parties | 28,627 | - | - | - | 28,627 |
| Long term deposit | - | - | 398,160 | - | 398,160 |
| Short term deposit | - | 3,544,940 | - | - | 3,544,940 |
| Cash and cash equivalent | 880,772 | - | - | - | 880,772 |
| Government securities at amortised cost | 1,139,180 | 4,899,233 | 1,414,860 | 180,901 | 7,634,174 |
| At 31 December 2021 | 8,198,672 | 9,712,626 | 1,813,020 | 299,019 | 20,023,337 |
| LIABILITIES | | | | | |
| Insurance contract liabilities | 3,000,000 | 7,005,007 | 1,676,095 | - | 11,681,102 |
| Reinsurance payables | 629,889 | - | - | - | 629,889 |
| Sundry payables | 1,716,450 | 995,609 | - | - | 2,712,059 |
| leases | - | 82,944 | 331,776 | - | 414,720 |
| Due to related parties | 33,143 | - | - | - | 33,143 |
| At 31 December 2021 | 5,379,482 | 8,083,560 | 2,007,871 | - | 15,470,913 |
| Liquidity (gap)/surplus | 2,819,190 | 1,629,066 | (194,851) | 299,019 | 4,552,424 |



(iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments.

(a) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The amounts below summarise the foreign currency exposure position as at 31 December 2022

| USD currency As at 31 December 2022 | Frw '000 | Total Frw '000 |
|--|----------|-------------------|
| Cash and bank (Asset) | 17,341 | 17,341 |
| Due to related parties (Liability) | (46,542) | (46,542) |
| Net financial position | (29,201) | (29,201) |

| USD currency As at 31 December 2021 | Frw '000 | Total Frw '000 |
|--|-----------|-------------------|
| Cash and bank (Asset) | 1,556,074 | 1,556,074 |
| Due to related parties (Liability) | 33,143 | (33,143) |
| Net financial position | 1,522,931 | 1,522,931 |

The following sensitivity analysis shows how profit and equity would be affected if the market risk variables had been different at the reporting date with all other variables held constant.



| | 2022 Effect on profit before tax Frw '000 | 2021 Effect on profit before tax Frw '000 |
|--------------------------|---|--|
| Currency – USD | | |
| - 6%/3.8% FRW Movement | (1,752) | (58,139) |
| + 6% /-3.8% FRW Movement | 1,752 | (58,139) |

(b) Interest Rate Risk

The Company ensures that its investments are held primarily at fixed interest rates to avoid fluctuations in earnings due to change in interest rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair value of financial instruments. The Company has deposits with banks which are subject to interest rate risk.

Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return or increasing the cost of finance to the Company. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its deposits and investments are denominated.

Fair value sensitivity analysis for fixed rate instruments

The Company has short term fixed deposits with banks and thus the interest is not sensitive to changes and therefore a change in interest rate at the reporting date would not affect profit and loss.

(c) Equity Price Risks

Equity price risk arises from fair value through other comprehensive income for equity securities held. Directors of the Company monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the asset Liability Committee.

The primary goal of the Company's investment strategy is to maximise investment returns in order to meet partially the Company's claims payment obligations.

| | Change in Variables | Effect on Equity Frw '000 |
|--|------------------------|---------------------------------|
| As at 31 December 2022 | | |
| Quoted investments on the Rwanda Stock Exchange | +/-15% | 21,384 / (21,384) |
| As at 31 December 2021 | | |
| Quoted investments on the Rwanda Stock Exchange | +/-5.7% | 6,733/ (6,733) |

Benchmark interest rate

Benchmark interest rate is an interest rate that determines the amount of other interest rates. A fundamental reform of major interest benchmark has been take globally including replacement of some interbank offered rates with an alternative nearly risk-free rate.

The company has reduced its exposure to investments that are subject to interest rate reform through investment in short term fixed deposits and thus the interest is not sensitive to changes and any change in benchmark interest at the reporting date would not materially affect profit or loss.



(d) Insurance Risk Management

The Company's activities expose it to a variety of financial risks, including its portfolio of risks covered and perils insured. The Company's overall risk management program focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. The Company has policies in place to ensure that insurance is sold to customers with an appropriate claim and credit history. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts in different product classes which are fire, marine, motor, accident, bonds and aviation.

The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Company purchases reinsurance as part of its risk's mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line.

The Company manages the insurance risk in the manner briefly outlined below

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of insurance, risk is random and therefore unpredictable. Inevitable makes it certain hence not insurable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and payments exceed the carrying amount of the insurance liabilities. This could occur if the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location, the nature of insurance covered and likelihood of a catastrophe.

(iv) Insurance Risk

The Company issues contracts that transfer insurance risk. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of insurance covered. Claims are payable on claims occurrence basis.

The Company is liable for all insured events that occurred during the term of the contract,



even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

For certain contracts, the Company has limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year. The Company also has the right to re-price the risk at renewal. It also has the ability to impose deductibles and reject fraudulent claims.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Company reinsurance placement policy assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

Maximum insured loss

| Class Of Business | | 2022 Frw '000 | 2021 Frw '000 |
|-------------------|-------|------------------|------------------|
| Fire | Gross | 1,944,906,518 | 1,281,881,284 |
| | Net | 551,828,150 | 365,094,106 |
| Engineering | Gross | 774,653,628 | 478,092,716 |
| | Net | 143,781,417 | 139,827,398 |
| Bonds | Gross | 15,303,378 | 48,264,027 |
| | Net | 6,035,998 | 9,123,824 |
| General Accident | Gross | 942,637,048 | 516,052,982 |
| | Net | 271,533,764 | 138,222,725 |
| Marine | Gross | 81,486,101 | 83,723,260 |
| | Net | 60,754,628 | 55,846,317 |
| Motor | Gross | 252,663,453 | 176,491,083 |
| | Net | 220,012,822 | 155,663,630 |
| Travel | Gross | 35,427 | 11,445 |
| | Net | 11,452 | 3,708 |
| Total | Gross | 4,011,685,553 | 2,584,516,797 |
| | Net | 1,253,958,231 | 863,781,708 |



Insurance contract liabilities

Gross claims reported, claims handling expenses liability and the liability for claims incurred but not reported (IBNR) are net of expected recoveries from salvages.

The Company uses the most reliable technique to estimate the ultimate cost of claims including IBNR provision. The Company has estimated IBNR based on actuarial valuation. Management has determined that the estimate is adequate for purposes of covering the risk and will ensure the Company will remain profitable in the future. As such management does not review claims development (i.e., actual claims compared with previous estimates) to manage its insurance risk.

Reinsurance risk

In common with other insurance companies, in order to minimize financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under excess of loss reinsurance contracts.

To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristic of the reinsurers.

Strategic Risk

Reinsurance contracts do not relieve the Company from its obligations to cedants and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

Strategic risk is the current and prospective impact on earnings or capital arising from



adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation.

The resources needed to carry out business strategies are both tangible and intangible. They include communication channels, operating systems, delivery networks, and managerial capacities and capabilities. The organization's internal characteristics are evaluated against the impact of economic, technological, competitive, regulatory, and other environmental changes.

The strategic risks were assessed based on the following indicators;

Whether risk management practices are an integral part of strategic planning. Whether strategic goals, objectives, corporate culture, and behavior are effectively communicated and consistently applied throughout the institution. Strategic direction and organizational efficiency are enhanced by the depth and technical expertise of Management.

Whether Management has been successful in accomplishing past goals and is appropriately disciplined.

Whether management information systems effectively support strategic direction and initiatives.

Exposure reflects strategic goals that are not overly aggressive and are compatible with developed business strategies.

Whether initiatives are well conceived and supported by appropriate communication channels, operating systems, and service delivery networks. The initiatives are supported by capital for the foreseeable future and pose only nominal possible effects on earnings volatility.

(v) Operational Risk

The Company recognizes that managing operational risk is an important feature of sound risk management practice. The most important types of operational risk involve breakdowns in internal controls and corporate governance. Such breakdowns can lead to financial losses through error, fraud, or failure to perform in a timely manner or cause the operations of the Company to be compromised in some other way, for example, by its clients' other staff exceeding their authority or conducting business in an unethical or risky manner. Other aspects of operational risk include major failure of information technology systems or events such as major fires or other disasters.

The Company recognizes all such risks and has adopted mitigating solutions through setting clear strategies and oversight by the board of directors and senior management, a strong operational risk culture and internal control culture (including, among other things, clear lines of responsibility) and effective internal reporting.





(vi) Compliance Risk

This is related with conforming to stated requirements. At Company level, it is achieved through management processes which identify the applicable requirements (defined for example in laws, regulations, contracts, strategies and policies), assess the state of compliance, assess the risks and potential costs of non-compliance against the projected expenses to achieve compliance, and hence prioritize, fund and initiate any corrective actions deemed necessary. The Company feels that compliance risk is moderate.

(vii) Capital Management

The Company's objectives when managing capital are: To comply with the insurance capital requirements required by the regulators of the insurance markets where the Company operates:

- To safeguard the Company'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 provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In Rwanda, the local insurance regulator specifies the minimum amount and type of capital that must be held by the Company in addition to its insurance liabilities. The minimum required capital must be maintained at all times throughout the year.

The Company is subject to insurance solvency regulations and is required to comply with solvency regulations. The Company has embedded in its Asset Liability Policy Framework the necessary tests to ensure continuous and full compliance with such regulations.

The National Bank of Rwanda imposes a minimum capital requirement of Frw 3 billion.

The solvency and capital adequacy margins are calculated based on distribution of assets among investment classes, and the matching of specific classes of assets and liabilities.

5. Fair Value

Fair values versus carrying amounts

The carrying amounts of the Company's financial assets and liabilities approximates its fair values.

Fair value measurement

Fair value 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 Company.

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, assuming that market participants act in their economic best interest.

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 | Level 2 | Level 3 |
|---------------------------------|--|--|---|
| Fair value determined using: | Unadjusted quoted prices in active market for identical assets and liabilities | Valuation model with directly or indirectly market observable inputs | Valuation models using significant non-market observable inputs |
| Types of financial asset | Actively traded government and other agency securities | Corporate and other governments and loans | Highly structured OTC derivatives with unobservable parameters |
| Types of financial liabilities: | Listed equities Listed derivative instruments | Unlisted equities Over-the-counter derivatives | Highly structured OTC derivatives with unobservable parameters |



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Valuation methods and assumptions

Reinsurance assets, premium outstanding, sundry receivables, deferred acquisition cost, due from related parties, sundry payables, deferred commission income, reinsurance payable, and due to related parties, approximate their carrying value amounts due to the short-term maturities of these instruments.

The tables below include items that have recurring fair value measurements (i.e., financial assets at FVOCI or FVPL and at amortised cost).

| 31 December 2022 | Carrying Amount Frw'000 | Fair Value Frw'000 | Fair value measurement using | | |
|---|----------------------------|-----------------------|---|---|--|
| | | | Quoted Prices in Active Markets Frw'000 | Significant Observable inputs Frw'000 | Significant unobservable inputs Frw'000 |
| | | | level 1 | level 2 | level 3 |
| Financial assets at FVOCI | 139,502 | 139,502 | 139,502 | - | - |
| Government securities at amortised cost | 8,586,613 | 8,629,762 | | 8,629,762 | - |
| Short term deposits at amortised cost | 2,140,106 | 2,150,860 | - | 2,150,860 | - |
| 31 December 2021 | | | | | |
| Financial assets at FVOCI | 118,118 | 118,118 | 118,118 | - | - |
| Government securities at amortised cost | 7,634,016 | 7,669,344 | - | 7,669,344 | - |
| Long term deposits at amortised cost | 401,880 | 403,737 | - | 403,737 | - |
| Short term deposits at amortised cost | 3,544,940 | 3,557,754 | - | 3,557,754 | - |



The carrying amount of all the remaining financial instruments, their cost approximates fair value

| 6. Gross insurance premium earned | 2022 Frw '000 | 2021 Frw '000 |
|---|--------------------------|--------------------------|
| Gross written premium | 9,518,560 | 8,293,145 |
| Unearned premium at the beginning of the year | 3,953,301 | 3,372,633 |
| Unearned premium at the end of the year | (4,296,315) | (3,953,301) |
| Gross insurance premium earned for the period | 9,175,546 | 7,712,477 |

| 7. Insurance premium ceded to reinsurers | 2022 Frw '000 | 2021 Frw '000 |
|---|--------------------------|--------------------------|
| Ceded Premium | 2,658,548 | 2,712,729 |
| Excess of loss cession | 203,772 | 152,196 |
| | 2,862,320 | 2,864,925 |

| Reinsurers share in Reserves | 2022 Frw '000 | 2021 Frw '000 |
|---|--------------------------|--------------------------|
| Unearned premium at the beginning of the year | 1,625,599 | 1,651,502 |
| Unearned premium at the end of the year | (1,328,628) | (1,625,599) |
| | 296,971 | 25,903 |
| Insurance premium ceded | 3,159,291 | 2,890,828 |

| Insurance premium ceded | | 2022 Frw '000 | 2021 Frw '000 |
|----------------------------------|--------------------------------|--------------------------|--------------------------|
| P.T.A ZEP Re | CGR rating B+ | 691,571 | 849,785 |
| Africa Re | S&P rating A- | 438,137 | 425,770 |
| CICA RE | A M Best rating B+ | - | 22,305 |
| Swiss RE | A M Best rating A+ | 561,786 | 548,118 |
| Continental Re | A M Best rating B+ | 175,606 | 180,890 |
| KOREAN REINSURANCE COMPANY | A M Best rating A (Excellent) | 2,945 | 2,300 |
| Trust Re | S&P rating A | 1,177 | 2,164 |
| Kenya Re | A M Best rating B | 8,287 | 3,361 |
| GIC SOUTH AFRICA | S&P rating BB+ | 93,451 | 77,945 |
| MDP (SWISS, AFRICA RE, PTA RE) | N/A | 203,772 | 152,196 |
| Arab Insurance Group | A M Best rating BB+ | 1,050 | 2,164 |
| Sonarwa | Locally regulated | 52,447 | 68,968 |
| GHANA RE | A M Best rating B (Fair) | 28,234 | 23,879 |
| Score | S&P rating A+ | 38,849 | 38,364 |
| SORAS | Locally regulated | 42,078 | 25,643 |
| TT Club Mutual Insurance Limited | A M Best rating A- (Excellent) | 9,297 | 8,661 |
| INTER PARTNER ASSISTANCE | S&P rating AA- | 25,072 | 8,030 |

Continuation



Continuation

| | | | |
|---|---------------------|------------------|------------------|
| MAYFAIR INSURANCE COMPANY | Locally regulated | 59,951 | 51,897 |
| Odyssey Re | S&P rating A | 133,892 | 116,196 |
| PRIME INSURANCE | Locally regulated | 28,909 | 22,693 |
| RADIANT INS NCE COMPANY | Locally regulated | 49,500 | 17,684 |
| TIM/BMI | Fitch rating AAA | 5,004 | 291 |
| UAP- INSURANCE RWANDA LTD | Locally regulated | 32,174 | 16,227 |
| BRITAM | Locally regulated | 43,590 | 56,676 |
| BK GENERAL INSURANCE | Locally regulated | 38,587 | 38,371 |
| SONAC SA | CRISIL BB | 17,126 | 43,497 |
| WAICA | A M Best rating B | 24,003 | 35,771 |
| KUWAIT Re | A M Best rating A- | 29,665 | 25,079 |
| NEWLINE HOLDINGS UK Ltd (Lloyds Syndicate) | A M Best rating A+ | 14,732 | - |
| EAST AFRICA RE | A M Best rating AA- | 11,428 | - |
| | | 2,862,320 | 2,864,925 |

8. Gross claims paid

| | 2022 Frw '000 | 2021 Frw '000 |
|---------------------------|------------------|------------------|
| Gross claims paid | 8,008,147 | 3,111,377 |
| Reinsurer share of claims | (4,807,830) | (812,575) |
| | 3,200,317 | 2,298,802 |

9. Change in insurance contract liabilities

| | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| Change in outstanding claims (9 a) | (81,912) | 907,476 |
| Change in incurred but not reported (IBNR) claims (9 b) | 115,708 | 119,710 |
| | 33,796 | 1,027,186 |

(a) Change in outstanding claims

| | | |
|-------------------------------|------------------|--------------------|
| Gross claims at the beginning | 6,876,095 | 4,607,794 |
| Gross claims at the end | (2,961,736) | (6,876,095) |
| | 3,914,359 | (2,268,301) |

Reinsurer Share in Gross claims

| | | |
|--|--------------------|------------------|
| Reinsurance share in gross claims at the beginning | (4,451,916) | (3,091,091) |
| Reinsurance share in gross claims at the end | 619,469 | 4,451,916 |
| | (3,832,447) | 1,360,825 |
| Net claims outstanding | 81,912 | (907,476) |

(b) Change in incurred but not reported (IBNR) claims

| | | |
|-----------------------------|----------------|----------------|
| Gross IBNR at the beginning | (851,705) | (650,087) |
| Gross IBNR at the end | 1,030,087 | 851,705 |
| | 178,382 | 201,618 |

Continuation



| | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|------------------|
| Reinsurer Share in IBNR | | |
| Reinsurance share in IBNR at the beginning | 190,294 | 108,386 |
| Reinsurance share in IBNR at the end | (252,968) | (190,294) |
| | 62,674 | (81,908) |
| | 115,708 | 119,710 |

10. Commission expenses

| | 2022 Frw '000 | 2021 Frw '000 |
|----------------------------|------------------|------------------|
| Alliance insurance Brokers | 112,548 | 104,582 |
| Ascoma | 175,296 | 109,561 |
| Mutsinzi Paul | 66,334 | 87,559 |
| MRR Agnacy Ltd | - | 4,218 |
| Utmost Insurance Brokers | - | -197 |
| Agak Ltd | 7,768 | 8,397 |
| Global Risk Advisors Ltd | 58,404 | 38,693 |
| Imanzi Buganza Sonny | 966 | 614 |
| Gasasira Amos | 74 | 712 |
| Kairos Legacy Partners Ltd | 223 | 355 |
| Liaison | 3475 | 1,033 |
| Mukayisenga Louise | - | 2,256 |

Continuation

| | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|------------------|
| Elephant Insurance Brokers Ltd | - | 54 |
| Ndashyikirwa Jean Baptiste | 107 | 1,271 |
| Masengesho Jean baptiste | - | 245 |
| Alpha Insurance brokers ltd | 17,199 | 17,946 |
| Habumuremyi Jimmy/Gatuna | 3,038 | 713 |
| Mr. Kalisa Albert/Rusumo | 2 | 209 |
| Uwamahoro Jacqueline/Nyabugogo | 8,670 | 8,123 |
| Connect Insurance Brokerage Services Ltd | 2,285 | 2,937 |
| Insider Consulting | 52,650 | 54,269 |
| Ngirumpatse Viateur | 7 | 128 |
| Staple brokarage ltd | 117,525 | 85,474 |
| CUZO insurance brokarage R Ltd | 51,373 | 33,987 |
| Kigali Trust Brokers Ltd | 61 | 77 |
| Kabasha Odinga lambert | 1,166 | 1,460 |
| Safe Insurance Brokers Ltd | 4,759 | - |
| Kanyamge Kayigamba | - | 147 |
| Falcon insurance service ltd | 2,926 | - |
| Ntaganda Oriane | 893 | 2,293 |
| NIYITANGA RICHARD | - | 11,469 |

Continuation



Continuation

| | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| Hatangimana Abia | 15,120 | 12,384 |
| Ntakirutimana Boniface | 47,863 | 19,071 |
| Zamara Actuaries Admins and Insurance Brokers Ltd | 23,880 | 25,233 |
| KANA LTD | 25,233 | - |
| MUKASHEMA ANTOINETTE | 17,037 | - |
| ZION INSURANCE BROKER LTD | 16,368 | - |
| MUHOAKEYE CHRISTINE | 14,441 | - |
| NDAYISHIMIYE GASPARD | 14,027 | - |
| EQUITY BANK RWANDA PLC EQUITY BANK RWANDA PLC | 12,927 | - |
| APPEX SERVICES LIMITED | 12,551 | - |
| Others | 123,323 | 135,591 |
| | 1,010,519 | 770,864 |

11. Fees and commission income

| | 2022 Frw '000 | 2021 Frw '000 |
|---------------------------------------|------------------|------------------|
| Reinsurance commission income (11(a)) | 761,191 | 716,161 |
| Fees | 114,466 | 114,893 |
| Profit Commission. (11(b)) | 94,905 | 36,526 |
| | 970,562 | 867,580 |

| 11 (a). Reinsurance commission income | | 2022 Frw '000 | 2021 Frw '000 |
|--|-------------------------------|------------------|------------------|
| | Rating | | |
| P.T.A ZEP | CGR rating B+ | 183,513 | 197,997 |
| AFRICA RE | S&P rating A- | 130,227 | 119,463 |
| Swiss Re | A M Best Rating A+ | 173,729 | 165,451 |
| TT Club Mutual Insurance Limited | A M Best Rating A- | 1,881 | 1,495 |
| Trust Re | S&P rating A | 504 | 892 |
| TIM/BMI | Fitch rating AAA | 1,734 | 101 |
| Odyssey Re | S&P rating A | 40,014 | 33,807 |
| Continental Re | A M Best rating B+ | 50,082 | 53,141 |
| GIC SOUTH AFRICA | S&P BB+ | 27,690 | 22,419 |
| Arab Insurance Group Kenya Re | S&P rating BB+ | 460 | 892 |
| Kenya Re | A M Best rating B | 2,102 | 1,012 |
| GHANA RE | A M Best rating B (Fair) | 7,354 | 6,573 |
| CICA RE | A M Best rating B+ | - | 10,239 |
| KOREAN REINSURANCE COMPANY | A M Best rating A (Excellent) | 1,146 | 940 |
| SCOR | S&P rating A+ | 12,160 | 11,076 |
| BRITAM | Locally regulated | 13,851 | 11,734 |
| MAYFAIR INSURANCE COMPANY | Locally regulated | 17,779 | 13,317 |
| PRIME INSURANCE | Locally regulated | 8,357 | 275 |
| Radiant insurance Company | A M Best rating AA- | 14,529 | 4,556 |

Continuation



Continuation

| | | 2022 Frw '000 | 2021 Frw '000 |
|--|---------------------|------------------|------------------|
| BK GENERAL INSURANCE | locally regulated | 11,408 | 9,746 |
| UAP- INSURANCE RWANDA LTD | locally regulated | 9301 | 4,181 |
| SANLAM | locally regulated | 12,136 | 6,607 |
| SOCIETE NOUVELLE D' ASSURANCE DU RWANDA | locally regulated | 16,598 | 17,609 |
| SONAC SA | CRISIL BB | 1,980 | 4,483 |
| WAICA RE | A M Best rating B | 6,738 | 10,834 |
| KUWAIT Re | A M Best rating A- | 9,016 | 7,321 |
| NEWLINE HOLDINGS UK Ltd (Lloyds Syndicate) | A M Best rating A+ | 4,259 | - |
| EAST AFRICA RE | A M Best rating AA- | 2,643 | - |
| | | 761,191 | 716,161 |

11 (b) Profit Commission

| | 2022 Frw '000 | 2021 Frw '000 |
|------------------------------------|------------------|------------------|
| Profit Commission Marine | 2,469 | - |
| Profit Commission Fire & Eng. | 113 | 23,028 |
| Profit Commission General Accident | 9,740 | 5,338 |
| Profit commission Engineering | 47,474 | 8,160 |
| Profit commission Bond | 35,109 | - |
| | 94,905 | 36,526 |

Profit commission was received on profitable account from reinsurers as per reinsurance treaties.

12. Administrative expenses

| | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|------------------|
| Employee benefits | 1,252,720 | 785,281 |
| Depreciation of property and equipment | 28,225 | 25,636 |
| Amortisation of intangible assets | 33,443 | 33,232 |
| Depreciation of ROUA | 48,581 | 47,023 |
| Professional fees and charges | 504 | 55,229 |
| Printing and stationary | 36,935 | 28,744 |
| Lease liability interest (note 33) | 44,783 | 49,950 |
| Board sitting allowance | 43,348 | 40,135 |
| Travel and communication costs | 104,387 | 48,967 |
| Management expenses | 41,135 | 34,519 |
| Medical expenses | 34,007 | 34,084 |
| Advertising and promotion | 59,527 | 29,286 |
| Auditors' remuneration | 27,732 | 20,173 |
| Service fees | 112,245 | 133,618 |
| Motor vehicles expenses | 37,594 | 24,064 |
| Repairs and maintenance | 57,645 | 45,534 |
| Office upkeep and maintenance | 7,971 | 20,799 |
| Electricity and water | 11,548 | 11,046 |
| Utilities fee | 9,012 | 8,053 |
| Legal fees | 48 | 1,275 |
| Staff training | 4,784 | 4,700 |

Continuation



Continuation

| | 2022 Frw '000 | 2021 Frw '000 |
|----------------------------|------------------|------------------|
| VAT Reverse charge | 4,288 | 2,820 |
| Bank charges | 17,662 | 10,327 |
| Donations | 2,875 | 500 |
| District licence charge | 2,365 | 2,210 |
| Tax fines and penalties | 12,148 | - |
| Insurance | 713 | 807 |
| Postage expenses | 780 | 30 |
| Surveyor valuation charges | - | 252 |
| Professional insurance | 16,174 | - |
| | 2,115,532 | 1,498,292 |

13. Investment income

| | 2022 Frw '000 | 2021 Frw '000 |
|----------------------------|------------------|------------------|
| Interest on fixed deposits | 1,184,293 | 959,287 |
| Investment expense | (11,094) | (11,826) |
| Dividend income | 14,143 | 7,165 |
| | 1,187,342 | 954,626 |

14. Foreign exchange gain

| | 2022 Frw '000 | 2021 Frw '000 |
|-----------------------|------------------|------------------|
| Foreign exchange gain | 64,869 | 45,956 |

15. Other Income

| Other income | - | 463 |
|--|---|-----|
| Being recovery of maternity leave fees | - | 375 |
| | - | 838 |

16. Taxation

(a) Deferred income tax asset

| | At start of year | Change/ (Credit) to profit or loss | At year end |
|--|---------------------|--|----------------|
| Year ended 31 December 2022 | Frw '000 | Frw '000 | Frw '000 |
| Accrued expenses | 2,293 | 34,679 | 36,972 |
| Expected Credit Losses on receivables | 162,801 | 5,907 | 168,708 |
| Leave accrual | 1,554 | - | 1,554 |
| Depreciation | (4,435) | 3,137 | (1,298) |
| Expected credit losses on financial assets | 16,932 | 75 | 17,007 |
| Impact of IFRS 16 | 18,183 | 3,633 | 21,816 |
| | 197,328 | 47,431 | 244,759 |



Continuation

| | At start of year | Change/ (Credit) to profit or loss | At year end |
|---|---------------------|--|----------------|
| | Frw '000 | Frw '000 | Frw '000 |
| Fair value through other comprehensive income | 4,986 | (6,415) | (1,429) |
| | 202,314 | 41,016 | 243,330 |

Year ended 31 December 2021

| | | | |
|--|----------------|---------------|----------------|
| Accrued expenses | 18,861 | (16,568) | 2,293 |
| Expected Credit Losses on receivables | 88,814 | 73,988 | 162,801 |
| Leave accrual | 1,554 | - | 1,554 |
| Depreciation | (4,196) | (239) | (4,435) |
| Expected credit losses on financial assets | 14,269 | 2,663 | 16,932 |
| Impact of IFRS 16 | 13,974 | 4,209 | 18,183 |
| Year ended 31 December 2021 | | | |
| | 133,276 | 64,053 | 197,328 |

| | | | |
|---|----------------|---------------|----------------|
| Fair value through other comprehensive income | 7,028 | (2,042) | 4,986 |
| | 140,304 | 62,011 | 202,314 |

| (b) Current income tax payable | 2022 Frw '000 | 2021 Frw '000 |
|---------------------------------|------------------|------------------|
| As at 1 January | 71,258 | 128,651 |
| Charge for the year (Note 16.c) | 611,077 | 318,323 |
| Paid during the year | (374,693) | (375,716) |
| As at 31 December | 307,642 | 71,258 |

The components of income tax expense for the years ended 31 December 2022 and 31 December 2021 are:

| (c) Income tax expense | 2022 Frw '000 | 2021 Frw '000 |
|----------------------------|------------------|------------------|
| Current income tax | 611,077 | 318,323 |
| Deferred income tax credit | (47,431) | (64,053) |
| Income tax expense | 563,646 | 254,270 |

Reconciliation between the tax expense and the accounting profit multiplied by Rwanda's domestic tax rate for the years ended 31 December 2022 and 31 December 2021 is as follows:

| | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| Accounting profit before income tax | 1,858,924 | 840,007 |
| Rwanda's statutory income tax rate of 30% | 557,677 | 252,002 |
| Tax effect on non-deductible expenses | 10,212 | 38,884 |
| Tax effect on non-taxable income | (4,243) | (36,616) |
| | 563,646 | 254,270 |

Included in non-deductible expenses are items such as impairment of assets, effect of IFRS16. These items are expected to recur in future periods.

17. Property and equipment cost

| | Motor Vehicles Frw'000 | Computer Equipment Frw'000 | Furniture & Fittings Frw'000 | Office Equipment Frw'000 | Leasehold Improvements Frw'000 | Total Frw'000 |
|---------------------------------|---------------------------|----------------------------------|------------------------------------|--------------------------------|--------------------------------------|------------------|
| As at 1 January 2021 | 48,175 | 99,197 | 10,230 | 30,545 | 47,270 | 30,545 |
| Additions | - | 15,787 | 364 | 180 | - | 180 |
| As at 31 December 2021 | 48,175 | 114,984 | 10,594 | 30,725 | 47,270 | 30,725 |
| As at 1 January 2022 | 48,175 | 114,984 | 10,594 | 30,725 | 47,270 | 251,748 |
| Additions | | 23,613 | 16,804 | 2,118 | 2,151 | 44,686 |
| As at 31 December 2022 | 48,175 | 138,597 | 27,398 | 32,843 | 49,421 | 296,434 |
| Accumulated Depreciation | | | | | | |
| As at 1 January 2021 | 24,561 | 89,854 | 8,101 | 23,030 | 42,934 | 188,480 |
| Charge for the year | 8,492 | 8,418 | 1,675 | 4,405 | 2,646 | 25,636 |
| As at 31 December 2021 | 33,053 | 98,272 | 9,776 | 27,435 | 45,580 | 214,116 |
| As at 1 January 2022 | 33,053 | 98,272 | 9,776 | 27,435 | 45,580 | 214,116 |
| Charge for the year | 8,168 | 11,658 | 4,033 | 2,086 | 2,280 | 28,225 |
| As at 31 December 2022 | 41,221 | 109,930 | 13,809 | 29,521 | 47,860 | 242,341 |
| Net Book Value | | | | | | |
| At 31 December 2022 | 6,954 | 28,667 | 13,589 | 3,322 | 1,561 | 54,093 |
| At 31 December 2021 | 15,122 | 16,712 | 818 | 3,290 | 1,690 | 37,632 |

**18. Intangible assets**

| | 2022 Frw '000 | 2021 Frw '000 |
|-------------------|------------------|------------------|
| As at 1 January | 201,363 | 158,270 |
| Additions | 695 | 43,093 |
| WIP | 4,105 | - |
| As at 31 December | 206,163 | 201,363 |

Amortisation

| | | |
|------------------------|---------|---------|
| As at 1 January | 132,893 | 99,661 |
| Charge for the year | 33,443 | 33,232 |
| Balance at 31 December | 166,336 | 132,893 |
| Carrying amount | 39,827 | 68,470 |

Intangible assets relate to accounting software and amortised at 25%

19. Government securities at amortised cost

| | 2022 Frw '000 | 2021 Frw '000 |
|-------------------------------------|------------------|------------------|
| (i) Treasury bond (at cost) | 7,375,594 | 5,626,316 |
| Accrued interest on government bond | 238,890 | 156,563 |
| Expected credit loss | (38,072) | (26,649) |
| | 7,576,412 | 5,756,230 |

| | 2022 Frw '000 | 2021 Frw '000 |
|-----------------------------------|------------------|------------------|
| (ii) Treasury Bill (at cost) | 962,100 | 1,818,150 |
| Accrued interest on treasury bill | 53,178 | 68,472 |
| Expected credit loss | (5,077) | (8,678) |
| | 1,010,201 | 1,877,944 |

Reconciliation of balance

| | | |
|-----------------------|-----------|-----------|
| (iii) Opening balance | 7,444,466 | 5,727,400 |
| Additions | 893,229 | 1,717,066 |
| | 8,337,695 | 7,444,466 |

| | | |
|--|-----------|-----------|
| Accrued interest on government treasury bonds & treasury bills | 292,067 | 225,035 |
| | 8,629,762 | 7,669,501 |

| | | |
|------------------------|------------------|------------------|
| Expected credit loss | (43,149) | (35,327) |
| Closing balance | 8,586,613 | 7,634,174 |

Breakdown of current and non-current

| | | |
|-------------|-----------|-----------|
| Current | 1,010,201 | 1,877,944 |
| Non-current | 7,576,412 | 5,756,230 |
| | 8,586,613 | 7,634,174 |



20. Financial assets at fair value through other comprehensive income

| | 2022 Frw '000 | 2021 Frw '000 |
|-------------------------------|------------------|------------------|
| Bralirwa Plc (343,000 shares) | 58,310 | 43,218 |
| BK Group Plc (225,400 shares) | 81,192 | 74,900 |
| | 139,502 | 118,118 |

Reconciliation of balance

| | | |
|-----------------|----------------|----------------|
| Opening balance | 118,118 | 111,310 |
| Fair value gain | 21,384 | 6,808 |
| | 139,502 | 118,118 |

Fair value through other comprehensive income reserve

| | | |
|---------------------------------|---------------|---------------|
| As at 1 January | 51,571 | 46,805 |
| | | |
| Fair value gain | 21,384 | 6,808 |
| Deferred tax on fair value gain | (6,415) | (2,042) |
| Net fair value gain | 14,969 | 4,766 |
| As at 31 December | 66,540 | 51,571 |

These investments have been adjusted to fair value based on their market price quotes at Rwanda Stock Exchange as at 31 December 2022. The fair value adjustment is recognized within other comprehensive income as change in FVOCI

21. Reinsurance assets

| | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|------------------|
| Due from reinsurers | 2,543,432 | 143,437 |
| Reinsurance share of insurance contract liabilities | 2,012,893 | 6,083,067 |
| Coinsurers | 188,172 | 184,742 |
| Total reinsurers' share of insurance contract liabilities | 4,744,497 | 6,411,246 |

Breakdown of reinsurance/coinsurance asset

| | | |
|---------------------------|------------------|------------------|
| Current | 4,744,497 | 6,411,246 |
| Past-due but not impaired | | |
| | 4,744,497 | 6,411,246 |

22. (i) Deferred acquisition cost

| | 2022 Frw '000 | 2021 Frw '000 |
|--------------------------|------------------|------------------|
| As at 1 January | 430,438 | 373,611 |
| Deferred expenses | 1,030,952 | 827,692 |
| Amortisation | (1,010,519) | (770,865) |
| As at 31 December | 450,871 | 430,438 |

Breakdown of current and non-current

| | | |
|-------------|----------------|----------------|
| Current | 450,871 | 430,438 |
| Non-current | - | - |
| | 450,871 | 430,438 |



| (ii) Deferred commission income | 2022 Frw '000 | 2021 Frw '000 |
|--|--------------------------|--------------------------|
| As at 1 January | 431,801 | 453,084 |
| Deferred income | 658,248 | 694,878 |
| Amortisation | (761,191) | (716,161) |
| | 328,858 | 431,801 |

| 23. Premiums outstanding at amortised cost | 2022 Frw '000 | 2021 Frw '000 |
|---|--------------------------|--------------------------|
| Premium receivables | 1,862,144 | 1,549,970 |
| Expected credit loss | (562,359) | (542,670) |
| | 1,299,785 | 1,007,300 |

Expected credit loss reconciliation

| | | |
|---------------------------|----------------|----------------|
| Balance as at 01 January | 542,670 | 296,044 |
| Charge for the year | 19,689 | 246,626 |
| Balance as at 31 December | 562,359 | 542,670 |

24. Sundry receivables

| | 2022 Frw '000 | 2021 Frw '000 |
|--------------------------------|--------------------------|--------------------------|
| Staff loans | 6,019 | 1,911 |
| Prepayments and deposit | 22,750 | 13,242 |
| Advances to agents and brokers | 9,163 | 10,554 |
| Withholding tax receivable | 15,465 | 1,252 |
| Other receivables | 2,779 | 11,164 |
| Cash held as guarantee | 34,977 | 7,772 |
| VAT recoverable | 90,930 | 58,343 |
| | 182,083 | 104,238 |

25. Related party transactions

The Company is controlled by MUA (Kenya) Insurance Limited; the ultimate parent and the ultimate controlling party of the Company is the Mauritius union insurance (MUA) Ltd incorporated in Mauritius. There are other companies related to MUA Insurance (Rwanda) Limited through common shareholdings or common directorship. During the year, the Company has entered into transactions with its related parties as shown below. All the related parties are fellow subsidiaries to the parent Company. The balances are interest free and do not have a specific repayment period.

The results of the transactions are as follows:



| | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| (a) Due from related parties | | |
| MUA (Uganda) Insurance Limited | - | 15,339 |
| Phoenix of Tanzania Assurance Company Limited | - | 13,992 |
| MUA (Kenya) Insurance Limited | - | 2,627 |
| Expected credit loss | - | (3,331) |
| | - | 28,627 |

(b) Due to related parties

| | | |
|---|---------------|---------------|
| MUA Kenya Insurance Limited | 707 | - |
| Phoenix of Tanzania Assurance Company Limited | 7,045 | - |
| The Mauritius Union Assurance Cy Ltd | 38,178 | 33,143 |
| MUA (Uganda) Insurance Limited | 612 | - |
| | 46,542 | 33,143 |

(i). Reconciliation of related parties balance

| | | |
|-----------------|---------------|---------------|
| Opening balance | 33,143 | 49,009 |
| Movement | 13,399 | (15,866) |
| Closing balance | 46,542 | 33,143 |

(c) Compensation of key management personnel and directors

Key management personnel of the Company include the Managing Director, the Financial Controller, Claim Manager, Underwriting and Risk Manager, Business Development Manager and Legal and Company Secretary. The summary of compensation of key management personnel and directors for the year is, as follows:

| | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| i). Key management personnel | 568,914 | 446,772 |
| Defined contribution plan contribution | 26,179 | 20,473 |
| Total compensation of key management personnel | 595,093 | 467,245 |
| ii). Directors | 43,348 | 40,135 |
| Total compensation of the Directors | 43,348 | 40,135 |

(d) Transactions with related parties

| | | |
|--|---------------|---------------|
| Expense recharges (MUA (Kenya) Insurance Limited) | - | 6,662 |
| Expense recharges (Phoenix (Tanzania) Insurance Limited) | 22,283 | 1,187 |
| Expense recharges (The Mauritius Union Assurance Cy Ltd) | 41,575 | 46,041 |
| Expense recharges (MUA (Uganda) Insurance Limited) | 613 | - |
| | 64,471 | 53,890 |

**26. Cash and cash equivalents**

| | 2022 Frw '000 | 2021 Frw '000 |
|----------------------|------------------|------------------|
| Cash in hand | 8 | 9,126 |
| Cash at bank (26(a)) | 826,942 | 871,646 |
| | 826,950 | 880,772 |

| (a) Bank balances at amortised cost | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|------------------|
| Guarantee Trust Bank Plc | 230,662 | 220,113 |
| Bank of Kigali Plc | 303,087 | 239,003 |
| Ecobank Plc | 61,839 | 51,337 |
| KCB Bank Rwanda Plc | 1,631 | 34,646 |
| I&M Bank Rwanda Plc | 22,121 | 63,826 |
| Banque Populaire du Rwanda Plc (BPR) | 8,172 | 38,459 |
| Equity Bank Rwanda Plc | 25,431 | 39,034 |
| Cogebanque Plc | 456 | 48,465 |
| Access Bank Plc | 82,715 | 63,842 |
| Unguka Bank Plc | 774 | 16,003 |
| AB Bank plc | 21,487 | 7,694 |
| NCBA Bank Plc | 57,100 | 52,340 |
| MOMO | 14,243 | - |
| ECL on cash at bank balances | (2,776) | (3,116) |
| | 826,942 | 871,646 |

(b) Term deposits at amortised cost

| Short term deposit at amortised cost | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| (i) Bank of Kigali Plc | - | 450,000 |
| Banque Populaire Du Rwanda Plc | - | 707,132 |
| Equity Bank Rwanda Plc | - | 626,102 |
| I&M Bank Rwanda Plc | 700,000 | 700,000 |
| NCBA Bank Plc | 500,000 | 500,000 |
| AB Bank Plc | 500,000 | 500,000 |
| Cogebanque Plc | 400,000 | - |
| Accrued interest | 50,860 | 74,520 |
| Expected credit loss | 2,150,860 | 3,557,754 |
| Net short-term deposit | (10,754) | (12,814) |
| | 2,140,106 | 3,544,940 |

The short-term deposits are deposits with local banks and they shall all mature in year 2022. Accrued interest includes accrued interest on short-term deposit. Interest on Cogebanque Plc deposit is received semi-annually.

| (ii) Long term deposit at amortised cost | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| Cogebanque Plc | - | 400,000 |
| Expected credit loss | - | (1,840) |
| Net long-term deposit | - | 398,160 |



| (ii) Reconciliation of balance | 2022 Frw '000 | 2021 Frw '000 |
|--------------------------------------|------------------|------------------|
| Opening balance | 3,943,100 | 3,260,377 |
| (Expired) | (2,351,558) | - |
| Additions | 500,000 | 611,017 |
| Accrued interest | 50,860 | 74,520 |
| Expected credit loss | (2,296) | (2,814) |
| Total term deposit (i&ii) | 2,140,106 | 3,943,100 |

| | 2022 | | 2021 | |
|------------------------|---------------------|------------------|---------------------|------------------|
| | Amount (Frw'000) | Maturity Date | Amount (Frw'000) | Maturity Date |
| Term deposit | | | | |
| Cogebanque Plc | 400,000 | 1-Jun-23 | 400,000 | 1-Jun-23 |
| I&M Bank Plc | 500,000 | 18-Aug-2023 | 500,000 | 19-Aug-22 |
| I&M Bank Plc | 200,000 | 8-Sep-2023 | 200,000 | 7-Sep-22 |
| NCBA Plc | 500,000 | 29-Dec-2023 | 500,000 | 27-Dec-22 |
| AB Bank Plc | 300,000 | 11-May-2023 | 300,000 | 8-May-22 |
| AB Bank Plc | 200,000 | 31-Aug-2023 | 200,000 | 31-Aug-22 |
| BPR Bank Plc | - | - | 707,132 | 5-Aug-22 |
| Equity Bank Rwanda Plc | - | - | 626,102 | 3-Aug-22 |
| Bank of Kigali Plc | - | - | 450,000 | 22-Sep-22 |
| | 2,100,000 | | 3,883,234 | |

(c) For purposes of the statement of cash flows, cash and cash equivalents comprise of the following:

| | 2022 Frw '000 | 2021 Frw '000 |
|--------------------------------|------------------|------------------|
| Cash in hand | 8 | 9,126 |
| Cash at bank (26(a)) | 829,718 | 874,762 |
| Cash and cash equivalent | 829,726 | 883,888 |
| ECL on demand deposit balances | (2,776) | (3,116) |
| | 826,950 | 880,772 |

| (d) Reconciliation of cashflows from financing activities | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| Lease liability as at 1 Jan 2022 | 302978 | 335972 |
| Interest on lease | 44,783 | 49,950 |
| Lease payment | (81,255) | (82,944) |
| Effects on lease modification | 4,203 | - |
| Lease liability as of 31 Dec 2022 | 270,709 | 302,978 |



27. Shareholders' funds

| | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|------------------|
| (a) Paid up capital | | |
| Authorized, issued, and fully paid up (1,000,000 Ordinary shares at Frw 1,000 each (At 1 January) | 1,000,000 | 1,000,000 |
| Recapitalization of retained earnings (2,000,000 Ordinary shares of Frw 1,000 each) | 2,000,000 | - |
| At 31 December (3,000,000 shares at Frw 1,000 each) | 3,000,000 | 1,000,000 |
| (b) Retained earnings | | |
| As at 1 January | 4,199,500 | 3,613,763 |
| Recapitalization of retained earnings | (2,000,000) | - |
| Net profit for the year | 1,295,278 | 585,737 |
| | 3,494,778 | 4,199,500 |

All ordinary shares rank equally with regard to the company's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

In November 2022, 2000,000 shares were issued equivalent to Frw 2 billion to the existing shareholders through recapitalization of retained earnings to meet the minimum paid up capital of Frw 3 billion.

28. Insurance contracts liabilities

| Gross | 2022 Frw '000 | 2021 Frw '000 |
|---|------------------|-------------------|
| Claims reported and loss adjustment expenses | 2,961,736 | 6,876,095 |
| Claims incurred but not reported (IBNR) | 1,030,087 | 851,705 |
| Unearned premium reserve | 4,296,316 | 3,953,302 |
| Total gross insurance contract liabilities | 8,288,139 | 11,681,102 |

Reinsurance share of insurance contract liabilities

| | | |
|--|------------------|------------------|
| Claims reported and loss adjustment expenses | 619,469 | 4,380,444 |
| Claims incurred but not reported (IBNR) | 252,969 | 190,294 |
| Unearned premium reserve | 1,328,627 | 1,625,599 |
| Total reinsurers' share of insurance contract liabilities | 2,201,065 | 6,196,337 |

Net

| | | |
|---|------------------|------------------|
| Claims reported and loss adjustment expenses | 2,342,267 | 2,495,651 |
| Claims incurred but not reported (IBNR) | 777,119 | 661,411 |
| Unearned premiums | 2,967,688 | 2,327,703 |
| Total net insurance contract liabilities | 6,087,074 | 5,484,765 |

Breakdown of current and non-current

| | | |
|-------------|------------------|------------------|
| Current | 6,087,074 | 5,484,765 |
| Non-current | - | - |
| | 6,087,074 | 5,484,765 |



The development of insurance liabilities provides a measure of the company's ability to estimate the ultimate value of claims. The table below demonstrates how company's estimate of claims liability for each accident year has changed at successive year-ends

| Claim development schedule | 2017 Frw'000 | 2018 Frw'000 | 2019 Frw'000 | 2020 Frw'000 | 2021 Frw'000 | 2022 Frw'000 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| - At end of claim year | 3,289,635 | 2,642,013 | 2,995,534 | 6,923,667 | 2,113,388 | 3,040,843 |
| - One year later | 323,538 | 316,155 | 174,162 | 102,018 | 529,518 | - |
| - Two years later | 15,606 | 15,020 | 18,670 | 12,239 | - | - |
| - Three years later | - | 31,258 | 581 | - | - | - |
| - Four years later | 9,340 | 2,823 | - | - | - | - |
| - Five years later | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Gross claims incurred | 3,638,118 | 3,007,268 | 3,188,947 | 7,037,923 | 2,642,906 | 3,040,843 |
| Gross IBNR | - | - | - | 733 | 227,633 | 704,786 |
| Ultimate gross claims projected | 3,638,118 | 3,007,268 | 3,188,947 | 7,038,656 | 2,870,539 | 3,745,629 |



29. Sundry payables

| | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|------------------|
| Cash held guarantee | 1,440,732 | 1,726,115 |
| Salaries and wages payable | 33,722 | 36,785 |
| Fund guarantee | 961 | 5,475 |
| Payable to surveyors | 14,923 | 10,535 |
| Due to lawyers and agencies | 2,983 | 2,983 |
| Accruals (note 29 (a)) | 284,654 | 121,254 |
| Payable to suppliers | - | 43,938 |
| Withholding tax payable | 4,270 | 14,838 |
| Advance received from clients | 131,795 | 112,157 |
| Commission payable to brokers and agents | 560,329 | 502,604 |
| Payables to garages and clients | 164,934 | 135,374 |
| | 2,639,303 | 2,712,058 |

(a) Accruals

| | | |
|---------------------------------|---------|--------|
| Staff leave | 4,713 | 4,713 |
| Director liability insurance | - | 7,647 |
| External audit & tax audit fees | 26,807 | 20,173 |
| Electricity | 2,576 | 836 |
| Internet charge MTN | 1,099 | - |
| Cleaning fees | - | 470 |
| Provision for staff bonus | 114,683 | - |

| | | |
|----------------------------------|----------------|----------------|
| Act server Actuarial consultants | 7,187 | 5,869 |
| IFRS 17 Project | 101,861 | 78,744 |
| UAP – Medical | - | 2,802 |
| Parking fees/ KAPS | 360 | - |
| Branded promotional material | 25,045 | - |
| ESICIA LTD | 186 | - |
| Ubumwe grand hotel | 137 | - |
| | 284,654 | 121,254 |

Breakdown of current and non-current

| | | |
|-------------|------------------|------------------|
| Current | 2,639,303 | 2,712,058 |
| Non-current | - | - |
| | 2,639,303 | 2,712,058 |

Cash held guarantee relates to cash collected from customers on performance guarantees (i.e., insurance contracts that provide compensation if the customer fails to perform a contractual obligation to the guaranteed party for example an obligation to construct a building). The guarantee is provided by the Company on behalf of the customers. If there is no claim from the guaranteed party in the specified period and the customer provides a clearance letter on successful completion of the contractual obligation, the guaranteed cash is paid back to the customer.



30. Reinsurance payables

| | 2022 Frw '000 | 2021 Frw '000 |
|--------------------------------------|------------------|------------------|
| Reinsurance premium payable | 471,618 | 629,889 |
| Breakdown of current and non-current | | |
| Current | 471,618 | 629,889 |
| Non-current | - | - |
| | 471,618 | 629,889 |

31. Contingencies

The Company has contingencies arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Company has given guarantees in the ordinary course of business to third parties for which the Company has secured by cash collateral valued at Frw 1,441 million (2021:1726 million and counter guarantees or other form of securities. These guarantees (Bonds) are in form of performance bond, Advance payment and customs bonds.

32. Events after the reporting period

The directors are not aware of events after the reporting date that require disclosure in or adjustments to the financial statements as at the date of this report.

33. Leases

The statement of financial position shows the following amounts relating to leases:

| | 2022 Frw '000 | 2021 Frw '000 |
|----------------------------------|------------------|------------------|
| Right-of-use assets | | |
| Balance as at 01 January | 246,871 | 293,894 |
| Depreciation for the period | (48,581) | (47,023) |
| Impact on lease modification | 8,181 | - |
| Balance as at 31 December | 206,471 | 246,871 |

The lease modification was a result of the change in lease payments

| | 2022 Frw '000 | 2021 Frw '000 |
|----------------------------------|------------------|------------------|
| Lease liabilities | | |
| Balance as at 01 January | 302,978 | 335,972 |
| Interest on lease liabilities | 44,783 | 49,950 |
| Lease payment | (81,255) | (82,944) |
| Impact on lease modification | 4,203 | - |
| Balance as at 31 December | 270,709 | 302,978 |

The lease modification was a result of the change in lease payments



The statement of profit or loss shows the following amounts relating to leases:

| | 2022 Frw '000 | 2021 Frw '000 |
|--|------------------|------------------|
| Depreciation charge of right-of-use assets | 48,581 | 47,023 |
| Interest expense | 44,783 | 49,950 |

34. Capital commitment

As at 31 December 2022, the Company had no capital commitment (2021 – the Company had no capital commitment).

35. Classification and measurement of financial instruments

The measurement category and the carrying amounts of financial assets as per IFRS9 as at 31 December 2022 is as follow:

| Financial assets | Measurement Category Frw'000 | Exposure at Default (EAD) Frw'000 | Expected Credit Loss (ECL) Frw'000 | Carrying Amount Frw'000 |
|---|------------------------------------|---|--|-------------------------------|
| Short term fixed deposits investments | Amortised cost | 2,150,860 | 10,754 | 2,140,106 |
| Treasury bill | Amortised cost | 1,015,278 | 5,077 | 1,010,201 |
| Government bond | Amortised cost | 7,614,484 | 38,072 | 7,576,412 |
| Cash at bank | Amortised cost | 829,718 | 2,776 | 826,942 |
| FVOCI (Investments in equity instruments) | FVOCI | 139,502 | - | 139,502 |
| Total | | 11,749,842 | 56,679 | 11,693,163 |

Reconciliation of expected credit losses for financial assets measured at amortised cost for the period

| 31 December 2022 | Opening ECL | ECL on New Exposures Raised | Subsequent Changes in ECL | Income Statement Movements | Closing ECL |
|---------------------------------------|---------------|-----------------------------|---------------------------|----------------------------|---------------|
| Financial assets | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Long term fixed deposits Investments | 1,840 | - | (1840) | (1,840) | - |
| Short term fixed deposits Investments | 12,814 | - | (2,060) | (2,060) | 10,754 |
| T bills | 8,678 | 5,076 | (8,677) | (3,601) | 5,077 |
| T bond | 26,649 | 14,327 | (2,904) | 11,423 | 38,072 |
| Due from related party | 3,331 | - | (3,331) | (3,331) | - |
| Demand deposit balances | 3,116 | | (340) | (340) | 2,776 |
| Total | 56,428 | 19,403 | (19,152) | 251 | 56,679 |

The measurement category and the carrying amounts of financial assets as per IFRS9 as at 31 December 2021 is as follow:

| Financial assets | Measurement Category | Exposure at Default (EAD) | Expected Credit Loss (ECL) | Carrying Amount |
|---|----------------------|---------------------------|----------------------------|-------------------|
| | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Long term fixed deposits investments | Amortised cost | 403,737 | 1,840 | 401,897 |
| Short term fixed deposits investments | Amortised cost | 3,554,018 | 12,814 | 3,541,204 |
| Treasury bill | Amortised cost | 1,886,622 | 8,678 | 1,877,944 |
| Government bond | Amortised cost | 5,793,340 | 26,649 | 5,766,691 |
| Due from related parties | Amortised cost | 31,958 | 3,331 | 28,627 |
| Demand deposit balances | Amortised cost | 874,762 | 3,116 | 871,646 |
| FVOCI (Investments in equity instruments) | FVOCI | 118,118 | - | 118,118 |
| Total | | 12,662,555 | 56,428 | 12,606,127 |



Reconciliation of expected credit losses for financial assets measured at amortised cost for the period

| 31 December 2022 | Opening ECL | ECL on New | Subsequent | Income Statement | Closing ECL |
|---------------------------------------|---------------|------------------|----------------|------------------|---------------|
| Financial assets | Frw'000 | Exposures Raised | Changes in ECL | Movements | Frw'000 |
| | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Long term fixed deposits Investments | 1,840 | - | - | - | 1,840 |
| Short term fixed deposits Investments | 10,000 | 2,404 | 410 | 2,814 | 12,814 |
| T bills | 2,845 | 8,678 | (2,845) | 5,833 | 8,678 |
| T bond | 24,310 | 5,365 | (3,026) | 2,339 | 26,649 |
| Due from related party | 2,491 | 840 | - | 840 | 3,331 |
| Demand deposit balances | 6,070 | | (2,954) | (2,954) | 3,116 |
| Total | 47,556 | 17,287 | -8,415 | 8,872 | 56,428 |



Fire ENG ACCIDENT MOTOR MARINE Bond TOTAL

APPENDIX I - GENERAL INSURANCE BUSINESS- DETAILED REVENUE ACCOUNT YEAR END 31 DECEMBER 2022

| | Fire Dec - 22 | Engineering Dec - 22 | Accident Dec - 22 | Motor Dec - 22 | Marine Dec - 22 | Bond Dec - 22 | Total Dec - 22 |
|------------------------------|------------------|-------------------------|----------------------|-------------------|--------------------|------------------|--------------------|
| Gross written premium | 1,831,764 | 1,424,370 | 1,170,016 | 4,521,838 | 219,213 | 351,359 | 9,518,560 |
| Unearned premium B/F | 637,265 | 1,079,087 | 457,661 | 1,512,029 | 16,391 | 250,868 | 3,953,301 |
| Unearned premium C/F | (746,237) | (898,278) | (528,769) | (1,902,647) | (19,890) | (200,494) | (4,296,315) |
| Gross earned premium | 1,722,792 | 1,605,179 | 1,098,908 | 4,131,220 | 215,714 | 401,733 | 9,175,546 |
| Reinsurance Ceded | (1,166,083) | (936,240) | (299,595) | (137,954) | (46,391) | (276,057) | (2,862,320) |
| Reinsurance share B/F | (430,777) | (844,253) | (126,019) | - | (4,350) | (220,199) | (1,625,598) |
| Reinsurance share C/F | 445,545 | 606,955 | 113,808 | - | 6,033 | 156,287 | 1,328,628 |
| Net Earned Premium | 571,477 | 431,641 | 787,102 | 3,993,266 | 171,006 | 61,763 | 6,016,255 |
| Claims Paid | (599,117) | (207,245) | (483,934) | (1,848,965) | (74,211) | (4,794,675) | (8,008,147) |
| Claims outstanding: | | | | | | | - |
| OCR at beginning | 101,411 | 155,911 | 258,485 | 1,466,421 | 123,475 | 4,770,393 | 6,876,095 |
| OCR at end | (104,536) | (313,937) | (465,729) | (1,975,750) | (76,430) | (25,356) | (2,961,737) |
| IBNR at beginning | 81,234 | 56,761 | 41,430 | 518,575 | 17,737 | 39,030 | 754,768 |
| IBNR at end | (118,279) | (106,959) | (75,207) | (592,964) | (14,844) | (24,899) | (933,152) |
| IBNER at the beginning | 570 | 357 | 1,000 | 93,829 | 422 | 759 | 96,937 |
| IBNER at the end | (570) | (357) | (1,000) | (93,829) | (422) | (759) | (96,935) |
| Gross Claims Incurred | (639,286) | (415,470) | (724,954) | (2,432,683) | (24,272) | (35,507) | (4,272,171) |
| Reinsurance Recoveries | 376,469 | 98,454 | 228,681 | 101,775 | 29,833 | 3,972,619 | 4,807,830 |
| Reinsurance share in OCR B/F | (162,179) | (81,329) | (4,555) | (141,279) | (67,286) | (3,995,288) | (4,451,915) |
| Reinsurance share OCR C/F | 96,452 | 175,246 | 6,232 | 288,896 | 34,173 | 18,470 | 619,469 |



Continuation

| | Fire Dec - 22 | Engineering Dec - 22 | Accident Dec - 22 | Motor Dec - 22 | Marine Dec - 22 | Bond Dec - 22 | Total Dec - 22 |
|--|------------------|-------------------------|----------------------|-------------------|--------------------|------------------|--------------------|
| Reinsurance share IBNR B/F | (52,655) | (33,990) | (1,241) | (50,091) | -14,675 | (31,850) | (184,503) |
| Reinsurance share IBNR C/F | 79,494 | 56,170 | 18,603 | 60,568 | 6,307 | 20,617 | 241,759 |
| Reinsurance share IBNER B/F | (433) | (283) | (500) | (3,753) | (139) | (683) | (5,792) |
| Reinsurance share IBNER C/F | 383 | 187 | 247 | 9,584 | 179 | 628 | 11,209 |
| NET INCURRED CLAIMS | (301,754) | (201,016) | (477,487) | (2,166,983) | (35,880) | (50,993) | (3,234,113) |
| Commission Paid | (172,368) | (180,934) | (114,228) | (479,236) | (24,915) | (38,837) | (1,010,518) |
| Commission& Fees Received | 328,585 | 376,501 | 116,509 | 50,218 | 15,557 | 83,193 | 970,562 |
| NET COMMISSIONS | 156,217 | 195,567 | 2,281 | (429,018) | (9,358) | 44,356 | (39,956) |
| Net Underwriting Profit/Loss without Mgt Exp | 425,939 | 426,192 | 311,896 | 1,397,265 | 125,768 | 55,125 | 2,742,185 |
| Management expenses | (147,619) | (27,530) | (252,980) | (1,499,555) | (56,763) | (151,025) | (2,135,472) |
| Net Underwriting Profit/Loss with Mgt Exp | 278,320 | 398,662 | 58,916 | (102,290) | 69,004 | (95,900) | 606,713 |



APPENDIX II - GENERAL INSURANCE BUSINESS- DETAILED REVENUE ACCOUNT YEAR END 31 DECEMBER 2021

| | Fire Dec - 21 | Accident Dec - 21 | Motor Dec - 21 | Marine Dec - 21 | Bond Dec - 21 | Total Dec - 21 |
|------------------------------|------------------|----------------------|-------------------|--------------------|------------------|--------------------|
| Gross written premium | 2,822,448 | 898,237 | 3,746,368 | 201,057 | 625,035 | 8,293,145 |
| Unearned premium B/F | 1,445,412 | 309,570 | 1,262,475 | 13,032 | 342,144 | 3,372,633 |
| Unearned premium C/F | (1,716,352) | (457,661) | (1,512,029) | (16,391) | (250,868) | (3,953,301) |
| Gross earned premium | 2,551,508 | 750,146 | 3,496,815 | 197,698 | 716,311 | 7,712,477 |
| Reinsurance Ceded | (1,935,314) | (277,810) | (102,429) | (59,011) | (490,361) | (2,864,925) |
| Reinsurance share B/F | (1,236,340) | (104,735) | (37,934) | (5,091) | (267,401) | (1,651,501) |
| Reinsurance share C/F | 1,275,030 | 126,019 | | 4,350 | 220,199 | 1,625,598 |
| Net Earned Premium | 654,884 | 493,620 | 3,356,452 | 137,946 | 178,748 | 4,821,649 |
| Claims Paid | (830,420) | (278,015) | (1,861,774) | (45,959) | (95,209) | (3,111,377) |
| Claims outstanding: | | | | | | |
| OCR at beginning | 578,316 | 201,879 | 1,329,420 | 75,105 | 2,423,075 | 4,607,795 |
| OCR at end | (257,322) | (258,486) | (1,466,419) | (123,476) | (4,770,392) | (6,876,095) |
| IBNR at beginning | 38,979 | 42,052 | 422,469 | 17,737 | 31,913 | 553,150 |
| IBNR at end | (137,995) | (41,430) | (518,577) | (17,737) | (39,030) | (754,769) |
| IBNER at the beginning | 927 | 1,000 | 93,829 | 422 | 759 | 96,937 |
| IBNER at the end | (927) | (1,000) | (93,829) | (422) | (759) | (96,937) |
| Gross Claims Incurred | (608,442) | (334,000) | (2,094,881) | (94,330) | (2,449,643) | (5,581,296) |
| Reinsurance Recoveries | 435,070 | (4,911) | 280,698 | 4,033 | 97,685 | 812,575 |
| Reinsurance share in OCR B/F | (398,265) | (8,442) | (369,780) | (4,605) | (2,309,999) | (3,091,091) |



Continuation

| | Fire Dec - 21 | Accident Dec - 21 | Motor Dec - 21 | Marine Dec - 21 | Bond Dec - 21 | Total Dec - 21 |
|--|------------------|----------------------|-------------------|--------------------|------------------|--------------------|
| Reinsurance share OCR C/F | 243,508 | 4,554 | 284,716 | 67,286 | 3,851,852 | 4,451,916 |
| Reinsurance share IBNR B/F | (30,146) | (21,026) | (16,899) | (5,853) | (28,722) | (102,646) |
| Reinsurance share IBNR C/F | 86,645 | 1,241 | 50,091 | 14,675 | 31,850 | 184,502 |
| Reinsurance share IBNER B/F | (717) | (500) | (3,753) | (87) | (683) | (5,740) |
| Reinsurance share IBNER C/F | 717 | 500 | 3,753 | 139 | 683 | 5,792 |
| NET INCURRED CLAIMS | (271,630) | (362,584) | (1,866,055) | (18,742) | (806,977) | (3,325,988) |
| Commission Paid | (229,240) | (77,493) | (391,246) | (21,043) | (51,843) | (770,865) |
| Commission& Fees Received | 579,750 | 78,711 | 45,930 | 18,592 | 144,597 | 867,580 |
| NET COMMISSIONS | 350,510 | 1,218 | (345,316) | (2,451) | 92,754 | 96,716 |
| Net Underwriting Profit/Loss without Mgt Exp | 733,764 | 132,254 | 1,145,081 | 116,753 | (535,475) | 1,592,377 |
| Management expenses | (136,609) | (157,590) | (1,159,642) | (56,530) | (243,419) | (1,753,790) |
| Net Underwriting Profit/Loss with Mgt Exp | 597,155 | (25,336) | (14,561) | 60,223 | (778,894) | (161,413) |



APPENDIX III - CALCULATION OF SOLVENCY MARGIN

| Line Code | Particulars | Amount (In '000' "A" | Maximum Admissible % "B" | Deductions "A-(A*B)" |
|--------------|---|----------------------|--------------------------|----------------------|
| 38.SMC. B.9 | 1. Investment in equities-listed | 139,502 | 90% | 13,950 |
| 38.SMC. B.10 | Investment in equities-unlisted | - | 70% | - |
| 38.SMC. B.11 | 2. Investments in debt securities | - | 70% | - |
| 38.SMC. B.12 | 3. Investments in properties | - | 80% | - |
| 38.SMC.B.13 | Receivables from reinsurers which are not overdue | 2,731,603 | 90% | 273,160 |
| 38.SMC. B.14 | 4. (a) All other assets (Total assets less II.A.7 and II.B.A 1,2,3) | 14,850,309 | | |
| 38.SMC. B.15 | Less: | | | |
| 38.SMC. B.16 | (-) Cash | 826,949 | | |
| 38.SMC. B.17 | (-) Deposit Balances | 2,140,106 | | |
| 38.SMC. B.18 | (-) Government securities | 8,586,613 | | |
| 38.SMC. B.19 | (b) All other assets subject to maximum % | 3,296,641 | 50% | 1,648,320 |
| 38.SMC. B.20 | 5. Total Deductions (add II.B 1,2,3 and 4b) | | | 1,935,431 |
| 38.SMC.B | III.C. Admitted Liabilities | | | |
| 38.SMC. B.25 | 1. Technical Provisions 8,288,139 10% | 8,288,139 | 10% | 9,116,953 |
| 38.SMC. B.26 | -Unearned premium 4,296,316 10% | 4,296,316 | 10% | 4,725,947 |
| 38.SMC. B.27 | -Unexpired risk - 10% | - | 10% | - |
| 38.SMC. B.28 | -Outstanding claims 2,961,736 10% | 2,961,736 | 10% | 3,257,910 |
| 38.SMC. B.29 | -IBNR 1,030,087 10% | 1,030,087 | 10% | 1,133,096 |
| 38.SMC. B.30 | 2. All other liabilities (Total liabilities less Technical Provisions) 4,064,676 0% | 4,064,676 | 0% | 4,064,676 |
| 38.SMC. B.31 | 3. Total Admitted Liabilities | | | 13,186,416 |



| Required Solvency Margin | Amount (in'000' Rwfs) |
|---|-----------------------|
| 1. Gross premium less reinsurance ceded last preceding year | 5,428,220 |
| 2. Solvency Margin Required: 20% of I.1 or Rwf 500 million whichever is greater | 1,085,644 |
| Compliance with Solvency Margin | |
| 3. Total Assets | 18,914,130 |
| 4. Less: Non-Admitted Assets as per II.A.7 | 1,192,715 |
| 5. Less: Deductions for assets subject to maximum admissible % as per II. B.5 | 1,935,431 |
| 6. Admitted Assets I.3 less I.4 and I.5 | 15,785,983 |
| 7. Less Admitted Liabilities as per III. C.3 | 13,181,628 |
| 8. Solvency Margin Available (I.6 less I.7) | 2,604,355 |
| 9. Excess or Deficiency of solvency required (I. 8 less I. 2) | 1,518,711 |
| 10. Solvency Coverage Ratio (I.8 divided by I. 2) | 239.89% |
| II.A. Non-Admitted Assets | |
| Particulars | Amount (in'000' Rwfs) |
| 1. Intangible assets | 35,722 |
| 2.Exposures (Loans & Investments) to connected persons | 6,019 |
| 3. Loans to insurance intermediary's overdue for more than 6 months | - |
| 4. Reinsurance receivable overdue for more than 6 months | - |
| 5. Loans and other receivables overdue for more than 6 months | 443,733 |
| 6. Deferred expenses, deferred taxes and prepayments | 707,241 |
| 7. Total non-admitted assets (add II.A.1 to 6) | 1,192,715 |



APPENDIX IV - LIQUITY RATIO

| Current Assets | 2022 Frw '000 | 2021 Frw '000 | Current Liabilities | 2022 Frw '000 | 2021 Frw '000 |
|-----------------------------------|------------------|------------------|----------------------------------|------------------|------------------|
| Reinsurance assets | 4,744,496 | 6,411,246 | RInsurance contracts liabilities | 8,288,139 | 11,681,102 |
| Deferred acquisition cost | 450,871 | 430,438 | Sundry payables | 2,639,303 | 2,712,059 |
| Premiums outstanding | 1,299,785 | 1,007,300 | Due to related parties | 46,542 | 33,143 |
| Sundry receivables | 182,083 | 104,238 | Insurance payables | 471,618 | 629,889 |
| Income tax recoverable | - | - | Deferred commission income | 328,858 | 431,801 |
| Due from related parties | - | 28,627 | Income tax payable | 307,642 | 71,258 |
| Held to maturity financial assets | 8,586,613 | 7,634,174 | Lease liability | 46213 | 38,773 |
| Short term deposit | 2,140,106 | 3,544,940 | | | |
| Cash and cash equivalents | 826,950 | 880,772 | | - | - |
| | 18,230,905 | 20,041,734 | | 12,128,315 | 15,598,024 |
| Liquidity ratio | 97% | 78% | | | |

NOTES:





MUA Insurance Rwanda

Avenue de la Paix Grand Pension Plaza
Ground & 8th Floor
PO BOX 82, Kigali



@ MUA Insurance Rwanda