A YEAR OF

Substantial **Growth**

2023

MUA

ANNUAL REPORT


MUA
INSURANCE (RWANDA) LTD.
Welcome
MUA

ABBREVIATIONS

AR	Annual Report
GWP	Gross Written Premium
MUA	Mauritius Union Assurance
NGO	Non Government Organisations
NBR	National Bank of Rwanda
OCI	Other Comprehensive Income
PAT	Profit After Tax
PBT	Profit Before Tax
RWF	Rwandan Francs
USD	United States of America Dollars


SION PLAZA
MUA INSURANCE
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750 055
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CONTENTS

This is an interactive document

Why Choose Us for Your Insurance Needs?

Elevate your peace of mind with our impressive financial rating of AA RW by GCR Ratings as of November, 2023. This esteemed recognition underscores our unwavering commitment to financial stability and fulfilling our promises to you.

PREFACE

35%
GROWTH

This indicates our resilience and adaptability in the face of a dynamic and often challenging business environment.

MUA Insurance Rwanda is a leading insurance company committed to providing comprehensive and innovative insurance solutions to individuals, businesses, and institutions across Rwanda.

Established as part of the MUA Group, which has a strong presence in the East African region, MUA Insurance Rwanda combines local expertise with international standards to offer a wide range of products, fire, motor, marine, travel, engineering insurance, etc.

It reflects our unwavering commitment to excellence, innovation, and sustainable growth, which are the cornerstones of our mission. 2023 has been substantially the largest year we have ever had in our history and the largest we have seen in the market in the past three years in terms of income levels.

> It is a testimony that the changes we made in our team and strategy finally paid off.

80% of our business is through ‘strategic partnerships’

NAVIGATING CHALLENGES

In an industry with a market penetration below 2 percent and 9 companies fighting for a small portion of the population, MUA has consistently demonstrated its ability to navigate challenges while capitalizing on affordable marketing, aggressive product pricing.

This year, we have focused on strengthening our risk management frameworks, learnt how to manage what we have better and reduced cost, became more cost effective, resulting into efficiency.

COMMITMENT TO INNOVATION AND CUSTOMER-CENTRICITY

Innovation remains at the heart of our ‘strategy’. That is why we have put in place a good structure on the distribution side to manage our agents and brokers.

This has provided greater value and convenience to our customers as we serve them on time which has led to increase in business. Today 60-80 percent of our business is through ‘strategic partnerships’ and only 20 percent of our direct business is through our branches, toll-free numbers or digital.

Our IT transformation initiatives have not only enhanced operational efficiency but have also significantly improved the customer experience (CX).

By placing our clients at the center of everything we do, we have fostered stronger relationships and achieved higher levels of customer satisfaction.

CORPORATE SOCIAL RESPONSIBILITY

As we pursue growth, we are deeply committed to operating in a socially responsible manner.
We are working with our local partners in the local market to see if we can provide lunch for all our staff to reduce the burden on them.

We believe that our success is intertwined with the well-being of our team and the communities we serve.

OUTLOOK

Looking ahead, we remain optimistic about the future of MUA. We adopted strategic road map based on three major approaches: protect, stabilize and advanced growth to drive sustained growth and profitability while ensuring that we continue to deliver superior value to our stakeholders and serving our clients impeccably.

We will continue to invest in technology, enhance our product portfolio, and expand our market presence to meet the diverse needs of our clients.

ACKNOWLEDGMENTS

As the Managing Director I guide the team, the team does the work. So this report is a reflection of the collective efforts of our dedicated team, the trust of our clients, the support of our partners, and the guidance of our Board of Directors.

We extend our heartfelt gratitude to all stakeholders for their unwavering support and confidence in MUA.

In conclusion, the accomplishments of the past year serve as a strong foundation for the future.

As we move forward, we remain committed to our mission of providing Reliable, Innovative, and Customer-Centric Insurance Solutions. We look forward to another year of growth, innovation, and positive impact.

OVERVIEW OF THE INSURANCE SECTOR

The global insurance industry is poised for significant growth and transformation in the coming years, driven by several key factors and trends.

Here's an overview of the current state and future prospects of the industry.

MARKET SIZE AND GROWTH

The global insurance market is enormous, with total premiums written estimated to exceed $5 trillion annually. The market is roughly split between life insurance and non-life (property and casualty) insurance.

The industry is expected to grow at a compound annual growth rate of around 3-5% over the next decade, with emerging markets driving a substantial portion of this growth.

GLOBAL OUTLOOK

NORTH AMERICA: The market remains mature with steady growth. Innovation in insurtech and regulatory changes, such as the adoption of the NAIC's Risk-Based Capital (RBC) requirements, are significant drivers.

EUROPE: The European market is also mature but faces challenges from low interest rates and regulatory changes like Solvency II. Digital transformation and sustainability are key focus areas.

ASIA-PACIFIC: This region is the fastest-growing insurance market, driven by economic growth, urbanization, and increasing insurance penetration in countries like China and India.

LATIN AMERICA: Growth is driven by economic recovery and increasing awareness of the need for insurance. Political and economic stability will be crucial for sustained growth.

AFRICA: The market is in the nascent stage but has significant growth potential. Increasing financial literacy, mobile insurance platforms, and regulatory improvements are critical drivers.

FUTURE PROSPECTS

The global insurance industry is set for a dynamic period of growth and transformation. Insurers that can effectively leverage technology, adapt to changing regulations, and respond to evolving consumer needs will be well-positioned to thrive.

The focus on sustainability and financial inclusion will also shape the industry's future, aligning business strategies with broader societal goals.

RWANDA INSURANCE INDUSTRY OUTLOOK

The insurance sector has shown steady growth with General insurance (Non-life) business, classified as short term, continued to be the largest contributor to private insurance premiums, accounting for 78.8 percent of private insurers' premiums and 46.8 percent of the sector's total Gross Written Premiums (GWP) as of December 2023.

The general insurance business is predominantly led by motor and medical insurance classes, which together represent 63 percent of total gross written premiums of General Insurance and 29 percent of the total gross written premiums of the entire insurance industry. The gross written premium showed a 14 percent growth in December 2023, increasing from Rwf 262 billion to Rwf 298 billion.

This growth was more significant in the non-life insurance sector than in life insurance. Specifically, gross premiums in private non-life insurance increased by 22.1 percent to Rwf 140 billion, a slightly higher growth rate than the 20 percent recorded in December 2022.

14%
GROWTH
of Gross Written Premium increasing from Rwf 262 billion to Rwf 298 billion

22.1%
GROWTH
to Rwf 140 Billion in Gross Premiums in private non-life insurance, slightly higher than the 20 percent recorded in December 2022

48%
GROWTH
MUA's growth in Gross Written Premium surpassed that of the market growing from Rwf 9.5 Billion to Rwf 14 Billion

There is a connection between global and Rwandan insurance markets. The Rwandan insurance market is influenced by global trends and practices, adapting them to local conditions which include;

TECHNOLOGICAL ADOPTION

Rwanda is embracing insurtech innovations seen globally, such as mobile-based insurance platforms and data analytics, to improve access and efficiency.

REGULATORY ALIGNMENT

Rwanda's regulatory framework is evolving to align with international standards, enhancing market credibility and attracting foreign investment.

SUSTAINABILITY FOCUS

Global emphasis on sustainability and ESG factors is being reflected in Rwandan insurers' practices, particularly in investment strategies and product development.

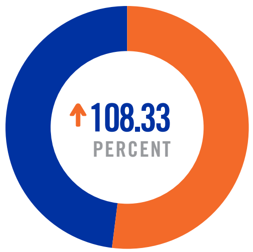
PANDEMIC RESPONSE

The impact of COVID-19 has underscored the importance of health insurance, mirroring global trends and leading to increased demand and new product offerings in Rwanda.

In summary, while the Rwandan insurance market is at a different stage of development compared to more mature global markets, it is rapidly growing and integrating global best practices. This convergence presents opportunities for innovation, growth, and improved financial protection for Rwandan consumers.

FINANCIAL HIGHLIGHTS

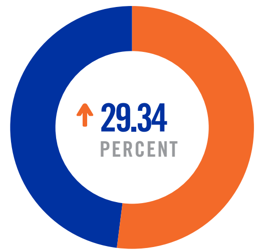
NET EARNINGS



Rwf 1.2 Billion (2022)
Rwf 2.5 Billion (2023)

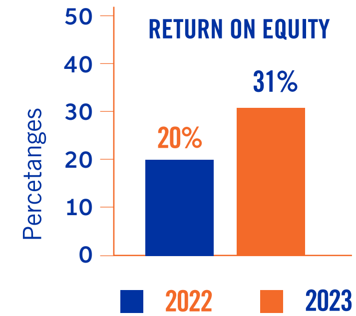
Reflecting an increase driven by underwriting profit, cost effectiveness

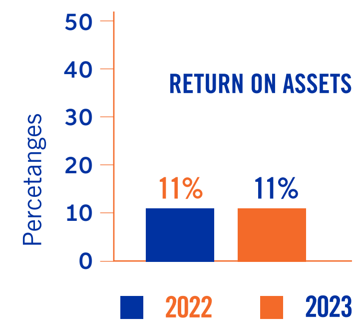
TOTAL ASSETS



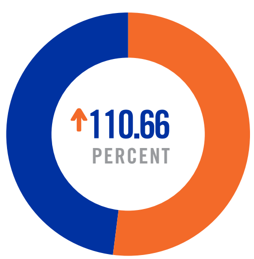
Rwf 16.7 Billion (2022)
Rwf 21.6 Billion (2023)

53% (2022)
37% (2023)



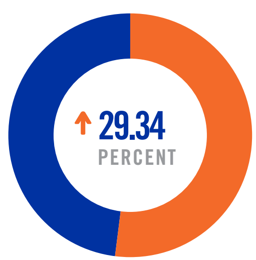


INCOME TAX EXPENSE



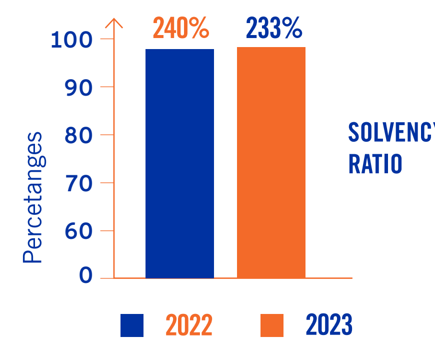
Rwf 533 Million (2022)
Rwf 1.1 Billion (2023)

TOTAL EQUITY & LIABILITIES



Rwf 16.7 Billion (2022)
Rwf 21.6 Billion (2023)

149% (2022)
120% (2023)



At MUA, we restructured our organization, with a target operating model which is more front facing than back office facing.

WE ARE FOCUSED ON PLEASING CLIENTS AND ENSURING EXCEPTIONAL SERVICE.


Customer
Experience
Hub
2
1

WHY INSURE WITH US?

CLAIMS PROCESSING

At MUA, claims processing is our strength, delivering speedy resolutions with precision and expertise.

CUSTOMER EXPERIENCE

Count on our dedicated team for exceptional service, available 24/7 to assist you.

BRANCHES

Access our network of 20 branches spread across five regions in Rwanda. Plus, our toll-free hotline 2323 is available round-the-clock to assist clients.

LARGEST REINSURANCE CAPACITY

MUA has the largest reinsurance treaty capacity in the market, providing reliable coverage and sustained underwriting profits over the past five years.

EXCEPTIONAL GCR RATINGS

MUA has earned an AA RW financial rating from GCR Ratings, signifying outstanding financial strength and stability

DIGITAL INNOVATION

We prioritize digital innovation to improve access to insurance solutions, ensuring convenience and efficiency for our customers.

RWANDA'S FIRST 24/7 TOLL-FREE CUSTOMER SERVICE 2323

We introduced Rwanda's First 24/7 Toll-Free Customer Service, where our clients can reach us on 2323 any time of the day, and this demonstrate our unwavering dedication to customer satisfaction.

ABOUT US

A SHORT HISTORY OF MUA INSURANCE

1912

RW Grater from Phoenix Assurance Company UK was appointed to run the company's agency in Mombasa, Kenya. Phoenix became one of the first foreign insurance companies to be represented in East Africa.

1954

A full branch of the company was eventually established in Nairobi. The company grew rapidly and Phoenix ranked high among the leading companies in the region.

1969

Phoenix of East Africa Assurance Company Ltd was formed with a local agent, A.J Miller and Sons Ltd. Initially, Kenyans only held 11% of shares. By 1980, the Kenyan participation had grown to one-third to the shareholding.

1990

Phoenix of East Africa Assurance and the Sun Alliance Group UK merged in the United Kingdom and the Kenyan operation was renamed Sun Alliance Insurance Company Ltd.

1992

The local shareholders took control of the company, reconstituted the company board and the name was reverted back to the original Phoenix of East Africa Assurance Company Ltd (PEAL), resulting in the dawn of a new era with the Alibhai family holding 81% of the shares.

2006

As a step towards becoming a regional insurer, Phoenix of East Africa Assurance Company Ltd was licensed and began operating in 2006.

2014

Following regulatory changes which came into effect in 2012, the Alibhai family sold their shares to Mauritius Union (now MUA), a leading insurance company in Mauritius, which was established in 1948.

2018

The various subsidiaries of the Mauritius Union group, including Phoenix of Rwanda Assurance Company Ltd, came together under a single, regional and dynamic insurance brand - MUA.

OUR VISION

- To offer innovative financial and insurance solutions, ensuring peace of mind within our communities.

OUR PURPOSE

- We aim to provide customers with peace of mind through top-notch financial protection and innovative services tailored to their needs.

OUR VALUES

- Creativity, innovation and efficiency.
- Equity and transparency in service delivery.
- Prudent underwriting principles and guidelines.
- Responsiveness to challenges and opportunities.

OUR PRODUCTS

MOTOR INSURANCE

Offers comprehensive coverage for private motor cars used for various purposes, including accidental damage, theft, injury, and access to accident rescue services.

MISCELLANEOUS

Offers insurance for money in transit, fidelity guarantee, all risks, burglary and theft, professional indemnity.

TRAVEL INSURANCE

Offers 24-hour coverage for medical expenses and assistance, travel delay or flight cancellation, hospital allowance, personal accident, loss of passport, total loss of baggage, loss of money, personal civil liability, and hijacking incidents.

BONDS INSURANCE

Provides insurance for bid bonds, custom bonds, performance bonds and advance payment bonds.

FIRE AND ALLIED PERIL INSURANCE

Provides coverage for private dwellings, encompassing buildings, contents, personal liability, and occupational accidents against risks such as fire, theft, accidental damage, and liability to third parties.

MARINE INSURANCE

Under marine insurance, we offer: cargo transport, air transport, marine hull. Under goods-in-transit, we offer in-land transit, road risk insurance / all risk.

ENGINEERING INSURANCE

Under engineering insurance we offer; erection all risks, electronic equipment, machinery breakdown, contractor's plant and machinery, contractor's all risk.

GENERAL LIABILITY

We offer public liability, product liability, employers liability, transporters liability.

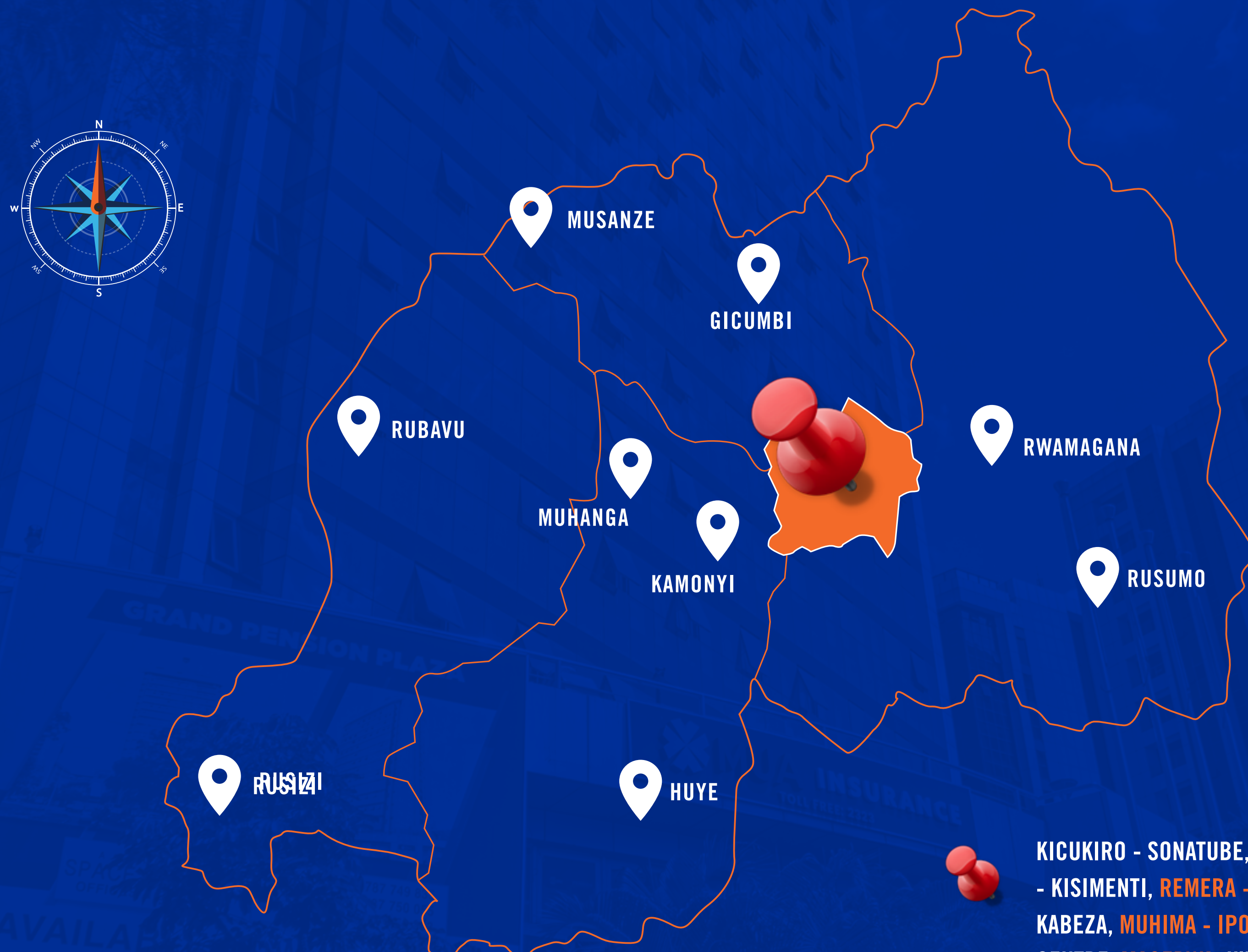
GROUP PERSONAL ACCIDENT

We offer personal accident, group personal accident for both employees and employers.

POLITICAL VIOLENCE & TERRORISM (PVT)

We offer any risk related to PVT .

OUR BRANCHES



KICUKIRO - SONATUBE, NYABUGOGO, REMERA - KISIMENTI, REMERA - GIPOROSO, REMERA - KABEZA, MUHIMA - IPOSITA, GACURIRO - SIMBA CENTRE, MAGERWA, KIYOVU, GIKONDO, GISOZI, GISHUSHU/NYARUTARAMA, MASAKA - DP WORLD

KEY SECTORS

INFRASTRUCTURE

We insure the three largest cement factories in Rwanda.

We insure all the national airports in Rwanda.

LOGISTICS

We insure the leading logistics companies in Rwanda.

BREWERY

We cover one of the biggest brewery company in Rwanda.

HEALTH

We insure the national biomedical center in Rwanda.

LOGISTICS

We insure some of the leading 5-star hotels

GOVERNMENT ORGANIZATIONS

We insure two of the biggest government institutions in Rwanda.

FINANCE

We insure some of the biggest banks in Rwanda.

TRANSPORT

We coverall national transport hubs.

ENGINEERING

We cover one of the biggest engineering companies operating in Rwanda.

MANUFACTURING

We cover one of the largest sugar factories in Rwanda.

NON GOVERNMENTAL ORGANIZATIONS

We cover two of the largest NGO's in Rwanda.

OUR DISTRIBUTION NETWORK

- BRANCHES
- AGENTS
- TOLL FREE 2323
- BANCASSURANCE
- BROKERS

Brokers: ZION INSURANCE BROKER LTD, ALLIANCE INSURANCE BROKERS, GLOBAL RISK ADVISORS LTD, SAFE INSURANCE BROKERS LTD, ZAMARA ACTUARIES ADMINS AND INSURANCE BROKERS LTD, FALCON INSURANCE SERVICE LTD, ALPHA INSURANCE BROKERS LTD, CONNECT INSURANCE BROKERAGE SERVICES LTD, MIRKA INSURANCE SERVICES LTD, ASCOMA, OLEA RWANDA, LIAISON RWANDA

Agents: HABUMUREMYI JIMMY, ZIRIMWABAGABO JEAN BOSCO, AVEC LTD, UWAMAHORO JACQUELINE, MUKAYISENGA LOUISE,GOOD WORK IS OUR PURPOSE, KENDS SHOP LTD, INGABIRE COLETTE, IYAKAREMYE GILBERT, MAHORO NYANA RUTH, IBYIWACU RUSIZI BUSINESS LTD, MUTSINZI PAUL,RELENTLESS LTD, AMOREN LTD, UMUTESI DIANE, MUNYANKINDI JANVIER, ALINE UMUTESI, UWINEZA ALICE, ON THE WINGS OF A DOVE LTD,FAEX LAETY LTD, UWIHOREYE MADJIDU, HABIMANA BONIFACE, UWITONZE DIANE, IRA TECHNOLOGIES MUHAWENIMANA EDOUARD, BELDA LTD, KAYINAMURA EGIDE, AED GENERAL SERVICES LTD, PROFILCO LTD, RE-UNIT LTD, CHRIS EMMANUEL KAYOSHE, MUTUYEMARIYA ALEXIA, PREMIER GROUP LTD, NDAYISHIMIYE GASPARD, COMBINATION SHOPPERS, MUKASHE GASPARD, MUKASHEMA ANTOINETTE, HATANGIMANA ABIA, GEDEON CS LTD.

OUR COMMITMENT TO SERVICE

At MUA Insurance Rwanda Ltd, Service Charters in our key departments guide us in our commitment to serve our customers with the highest quality.

The Charters provide insight into how we operate, and act as performance and accountability tools.

CLAIMS DEPARTMENT

MOTOR CLAIMS

48 HRS for damages that are below **RWF 1 MILLION**

5 DAYS for damages that are below **RWF 1 MILLION**

BODILY INJURIES

15 DAYS upon submission of all required documents

NON-MOTOR CLAIMS

5 DAYS for damages that are below **RWF 10 MILLION**

21 DAYS for damages that are below **RWF 10 MILLION**

PAYMENTS

DULY SIGNED DISCHARGE VOUCHER

48 HRS for damages that are below **RWF 1 MILLION**

3 DAYS for damages that are below **RWF 1 MILLION**

UNDERWRITING DEPARTMENT

QUOTATION

30 MIN maximum for a standard quote with full documentation

24 HRS maximum for a complex quote with full documentation

POLICY ISSUANCE

30 MIN maximum for a standard quote with full documentation

24 HRS maximum for a complex quote with full documentation

POLICY CHANGES OR CANCELLATION

30 MIN maximum for a standard quote with full documentation

24 HRS maximum for a complex quote with full documentation

REINSURANCE DEPARTMENT

We have arrangements in place with a diversified panel of reinsurers, our major partners being Swiss Reinsurance Company Ltd (AM Best A+), African Reinsurance Corporation (AM Best A), and Zep Re (AM Best B++)**

**AM Best is headquartered in the USA and is the largest credit rating agency in the world specialising in the (re) insuracne industry. The AM Best ratings are as of 31st December 2023.

CUSTOMER EXPERIENCE DEPARTMENT

24HRS
Complaints Management

24 HRS/7
Available to serve clients via toll-free hotline 2323

ENQUIRIES:	0788 330 731
BROKERAGE ENQUIRIES:	0788 330 637
AGENTS ENQUIRIES:	0788 330 691
DIRECT CLIENTS ENQUIRIES:	0788 366 445
BANCASSURANCE ENQUIRIES:	0788 330 674

FINANCE DEPARTMENT

Timely response to enquiries and requests for financial information (all stakeholders)

WITHIN 24 HOURS

Efficient processing of financial transactions including payment to claimants, intermediaries, and suppliers

WITHIN 36 DAYS

Proactive and timely communication of any changes or updates related to financial processes

WITHIN 24 HOURS

Accurate and transparent financial reporting

5 WORKING DAYS FOR THE REGULATOR AND 15 DAYS FOR THE GROUP

Compliance with regulatory requirements and internal policies.

WITHIN SET TIME FRAME


MUA
(RWANDA) LTD.
MUA
MUA
(RWANDA) LTD.

REFLECTION FROM THE CHAIRMAN

BOARD OF DIRECTORS

As we look to the future, we are optimistic about the opportunities that lie ahead.

We will continue to pursue our strategic goals with a focus on innovation, customer satisfaction, and sustainable growth. Our vision is to build on our successes and further strengthen our position as the insurer of choice in Rwanda.

NIKESH PATEL

CHAIRMAN, BOARD OF DIRECTORS
MUA Insurance (Rwanda) Ltd

Dear Shareholders, on behalf of the Board of Directors, I am pleased to present the performance of MUA Ltd for the year ending 31 December 2023. As we reflect on the year 2023, it is with great pride and satisfaction that I present to you the annual report of MUA Insurance (Rwanda) Ltd. This year has been marked by significant achievements, strategic growth, and resilience in the face of a dynamic and often challenging business environment.

RESILIENCE AND GROWTH

The global and local economic landscapes have presented numerous challenges, from economic fluctuations to high Inflation.

Despite these obstacles, MUA Insurance (Rwanda) Ltd has demonstrated remarkable resilience and adaptability. Our commitment to providing exceptional service and innovative insurance solutions has allowed us to navigate these challenges successfully, achieving robust financial performance and sustained growth.

STRATEGIC INITIATIVES AND INNOVATION

In 2023, we continued to execute our strategic initiatives with a focus on innovation, digital transformation, and customer-centricity. We invested in advanced technologies to enhance our operational efficiency and improve customer

Rwf 14.05

billion income Gross Written Premium, the highest we have ever had in our history and the largest we have seen in the market.

experiences. Our digital platforms have made our services more accessible 24/7 and user-friendly, reinforcing our position as a leader in the Rwandan insurance market.

FINANCIAL PERFORMANCE

Our financial performance in 2023 has been strong, underpinned by prudent risk management, disciplined underwriting, and effective cost control measures.

We have achieved significant growth in our premium income, improved our profitability, and strengthened our balance sheet.

Posted a 48 percent growth of Rwf 14.05 billion in income Levels, the highest we have ever had in our History and the largest we have seen in the market. These achievements reflect the dedication and hard work of our entire team and the trust and loyalty of our clients.

CUSTOMER AND COMMUNITY FOCUS

At MUA Insurance, our clients remain at the heart of everything we do. We have introduced new products tailored to meet the evolving needs of our diverse customer base, ensuring comprehensive coverage and peace of mind.

Additionally, our commitment to corporate social responsibility has seen us engage in various community initiatives aimed at promoting social welfare and sustainable development in Rwanda.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Our commitment to the highest standards of corporate governance remains unwavering.

In 2023, we continued to enhance our governance frameworks and risk management practices, ensuring that we operate with integrity, transparency, and accountability. These principles are fundamental to our long-term success and the trust placed in us by our stakeholders.

LOOKING AHEAD

As we look to the future, we are optimistic about the opportunities that lie ahead. We will continue to pursue our strategic goals with a focus on innovation, customer satisfaction, and sustainable growth.Our vision is to build on our successes and further strengthen our position as the insurer of choice in Rwanda.

APPRECIATION

On behalf of the Board of Directors, I would like to express my deepest gratitude to our shareholders for their continued support, to our clients for their trust and loyalty, to our partners for their collaboration, and to our employees for their unwavering dedication and hard work. Thank you.

"We continued to enhance our governance frameworks and risk management practices, ensuring that we operate with integrity, transparency, and accountability.

Together, we have made 2023 a remarkable year, and together, we will continue to achieve greater heights."

N.H. Patel

NIKESH PATEL

CHAIRMAN, BOARD OF DIRECTORS
MUA Insurance (Rwanda) Ltd

We have also registered a 100 percent growth in the last three years (2020-2023) from Rwf7 billion in 2020 to Rwf14.05 billion in 2023 in Gross Written Premium, the best there is in the market.

KONDE BUGINGO

MANAGING DIRECTOR
MUA Insurance (Rwanda) Ltd

MESSAGE FROM THE MANAGING DIRECTOR

MUA's performance between 2022 and 2023 is substantially the largest we have ever had in our history and the largest we have seen in the market for the last three years.

We grew by almost 48% on GWP levels. The performance was incredibly impressive, which is a testimony of the team changes and strategy we have made paid off. We didn't only grow in terms of income but we grew in learning how to manage what we have better so we can reduce cost, we are now much more cost effective, there is efficiency, overall, it was top level performance all aspects of the business.

On underwriting profit which we performed much better than we performed in 2022 so did we improve over performance for the year. We have put in place governance that helps us ensure there is control in every element in our business, today we govern claims through a committee. We no longer do like a normal processing approach which has led to quite a number of controls in the business and measures to ensure we continue with that trajectory.

Our new strategy is more of front facing than back office facing.

In terms of people, we restructured our organizational target operating model, we restructured to suit our new strategy which is more of front facing than back office facing. Basically we focus more on pleasing clients and ensuring the service to our client is well done, dialogue between our client and what product we have and the entire processes has completely improved.

We hired new people to come in with new vigor for the front face than we portray the back office.

Once we got the face front office doing well on the target operating model, we went into the back office as well to restructure to make sure that our services internally are done quite well, we even changed leaders.

We hired new people from different companies, some of the best insurers we poached so we could build a good team. We have completely thrown out how we used to treat our staff, how we managed our staff affairs, how they are motivated, how they are remunerated, generally the care for our staff has been key.

Performance might be looking good in numbers but what we focused on was the people who drive the numbers and this has done tremendous change in the way we operate.

> We went into the back office as well to restructure to make sure that our services internally are done quite well, we even changed leaders.

PARTNERSHIP STRATEGY

Our partnership strategy, we are here for our clients to see us anytime they want but we have clients that come in directly and those who come in indirectly. Majority of our clients go through agents or brokers.

> Our clients now have full access to our services 24/7

What we have done is we have put up a good structure on the distribution side to really manage our agents and brokers very well.

That means we have the right people managing the agents, we rarely get complains anymore, we communicate very well, we serve them on time which has led to huge business. 60-80 percent of our business is through partnership strategy business and our only direct business through our branches, toll-free numbers or emails is about 20 percent.

MARKETING & COMMUNICATIONS

This department was absolutely neglected in the past years, talking about the awareness of a brand, awareness of a company that provides insurance. We went on a very aggressive marketing and communications strategy which has paid off in very many respects. We focused on associated marketing, sponsorship deal, partnerships with different parties including football and basketball clubs.

Car dealership has been biggest win for 2023, we partnered with dealers we serve their clients at discounted prices but we also market through them as well. Made a few changes in IT, we streamlined how IT would operate, how people would access our services which allowed us to give our clients access to our services 24/7.

CHALLENGES

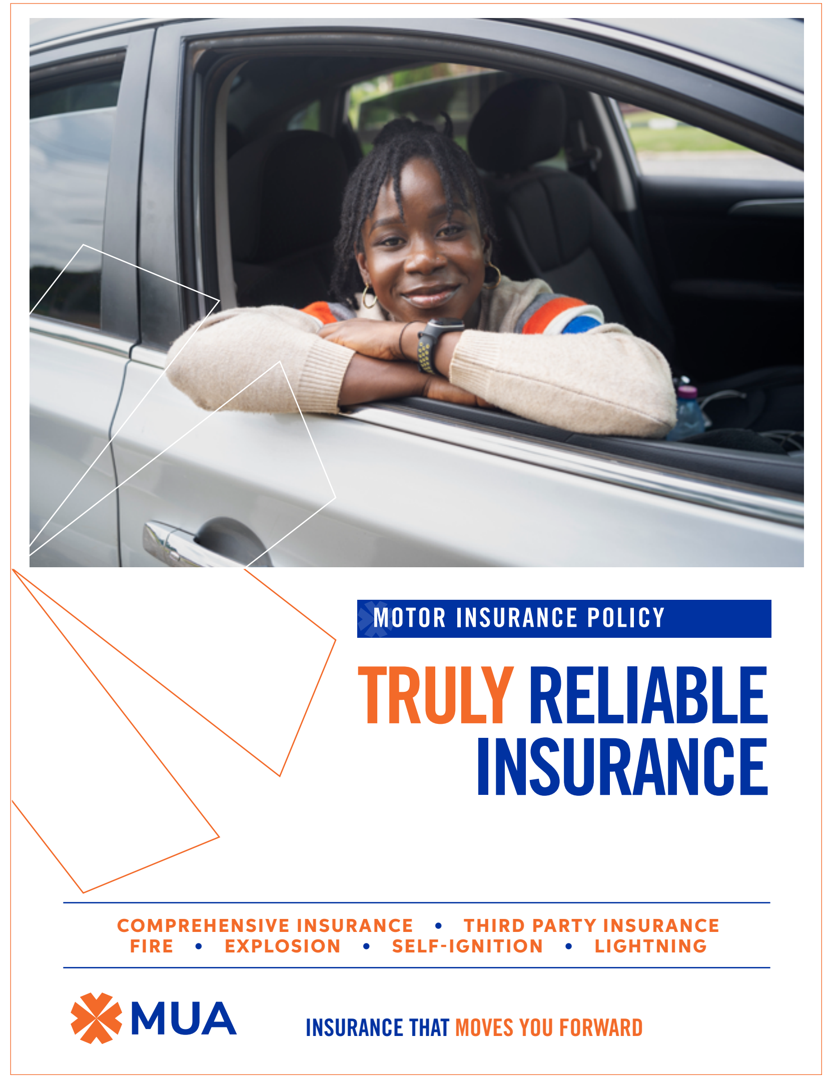
Internally, we needed to reorganize ourselves and change always comes with trouble. Changing the company's structure, the strategy, the culture. Internally there was a lot of change for us to perform the way we performed. It was mountain to climb for the staff and myself.

Externally, there is lack of awareness of insurance products. The market penetration is below 2 percent compared to 85 percent on banking sector. We have 14 companies serving 2 percent of the entire population of Rwanda.

The market is a 2 percent because of some large business in the country that still take their insurance outside the country, which is unacceptable. We have reported to the regulator and they are aware and will be doing something about it.

So it comes down to aggressive marketing, aggressive product pricing and we end up making mistakes because we are fighting over a small market. Through the insurer's association there has been a bit of normalization, we all adhere a certain code, a certain working relations with all members of ASSAR.

You have to categorize your clients into different pots, you have the corporate & SMEs of which 50 percent understand what they are buying and 50 percent under this category don't understand what they are buying, they just meeting regulation.



90 percent of the people in retail don't understand what they are buying which is a massive challenge when you categorize down to our products and segments of our clients.

> Economic factors of the country affected our business. Inflation hit us hard, not only inflation has hit our staff because they have to pay a lot more out of their pockets to survive, which means we have to find a way increase their package to be able to meet the spikes in inflation which in the end directly affects our services.

Every partner we work with, we had to increase prices because we work with automobile garages, we work with assessors, a huge level of ecosystem of which everybody was affected and everyone increased prices.

If you look at the claims of 2021 and 2023, they have completely changed scoop, e.g. a motor vehicle bumper that used to cost Rwf1 million is now costing Rwf 1.5 million in a space of one year and a person who used to fix that bumper at Rwf 100,000 is now fixing it at Rwf 200,000 and there is no going back.

There is no going back on the cost of running the business and the cost of serving our clients but there is no increase in price. We have not increased price but the cost has gone up and this will continue to be a big problem.

OUTLOOK

We turned our strategy in 3 ways which we adopted in 2022 and goes all the way up to 2025 i.e. Protect, Stabilize and advanced growth. Through protect we have to serve our current clients impeccably, we also have to ensure we renew our business

Our focus remains: Current Staple Business, under the protection of the business, to register quick wins, strengthening relationships, renewals and new business. Under growth of business, we remain focused on acquisition, Ecosystem, digital adoption offering and customer centricity.

Our main Key Performance Indicators (KPIs), number one for us is Customer Experience (CX) with CX, every single department has a service charter, we have the shortest claim approval which is 48 hours depending on the magnitude, number 2 main KPI is renewal after that we have growth in business and governance.

CORPORATE SOCIAL RESPONSIBILITY

We believe you can do so much in CSR and be part of the community if you have to start with our own people. You cannot blow your own trumpet yet you are not treating and paying your team well.

If you don't start with your people your CRS is not worth it. We are working with our local partners in the local market to see if we can provide lunch for all our staff to reduce the burden on them. We do provide breakfast because we know what our staff are suffering from, we listen to their call.

From there we go to the rest of the community. Our largest involvement is with Gasore foundation; we provide funding for the entire year. We sponsor clubs in the community, football clubs, we are looking at Basketball and other sports areas that means a lot to the communities.

ACKNOWLEDGMENTS

As the Managing Director I guide the team, the team does the work. So this report is a reflection of the collective efforts of our dedicated team, the trust of our clients, the support of our partners, and the guidance of our Board of Directors.

We extend our heartfelt gratitude to all stakeholders for their unwavering support and confidence in MUA.

As we move forward, we remain committed to our mission of providing reliable, innovative, and customer-centric insurance solutions. We look forward to another year of growth, innovation, and positive impact.

KONDE BUGINGO
MANAGING DIRECTOR
MUA Insurance (Rwanda) Ltd

In conclusion, the accomplishments of the past year serve as a strong foundation for the future.

THANK YOU FOR YOUR CONTINUED TRUST AND SUPPORT IN MUA INSURANCE (RWANDA) LTD.

BOARD OF DIRECTORS

NIKESH PATEL (BRITISH)

CHAIRMAN

Bachelors in Geo-Chemistry

APPOINTED:

December 14, 2021

EXPERTISE:

Telecoms, Aviation, Technology, Agribusiness, and Entrepreneurship.

CAREER:

Business operations across many African countries, involvement in large corporations, medium and small enterprises, and startups.

MS ALIZA ALIBHAI (KENYAN)

DIRECTOR

BSc in Economics (University of Nottingham, UK), MSc in Real Estate Economics and Finance (London School of Economics)

APPOINTED:

May 13, 2021

EXPERTISE:

Company Setup, Insurance, Micro Lending, Real Estate, and Entrepreneurship.

CAREER:

Actively involved in establishing new companies in Kenya and Southern Africa; Director in various companies including general insurance, micro lending, and real estate.

MRS MIREILLE UMWALI (RWANDAN)

DIRECTOR

Masters in Project Management

APPOINTED:

May 13, 2021

EXPERTISE:

Project Management, Arbitration, Regulation, and Corporate Leadership.

CAREER:

Project Management Consultant, Arbitrator, and Regulator. Non-Executive Director in an investment holding company with a diversified portfolio in mining, energy, research and development, health, and agriculture. Former roles include:

Chief Operations Officer, Chief Finance Officer, and Managing Director of Ultimate Concepts Ltd, owner of Kigali Convention Center and Radisson Blu Hotel;Resident Director of Prime Holdings Ltd (tourism sector) from 2011 to 2017; Coordinator of the World Bank Funded Urban Infrastructure City Management Project (UICMP) in Rwanda from 2006 to 2011.

MR JEROME KATZ (MAURITIAN)

DIRECTOR

Master in Management ESCP Europe (Paris, France)

APPOINTED:

May 13, 2021

EXPERTISE:

Group Strategy, Strategic Marketing and Digitalisation, Investment and Asset Management

CAREER:

Started his career with the American bank JPMorgan in Paris in 2006.

Joined Feber Associates (now part of MUA) in 2009 as the Manager. From 2014 until 2023 he oversaw the group strategy, with extensive involvement in the African subsidiaries, strategic marketing and digitalisation and also supervised all the group's investment and asset management activities.

In September 2023 he became CEO of MUA Tanzania.

HERBERT GATSINZI (RWANDAN)

DIRECTOR

Tax Expert

APPOINTED:
May 22, 2019

EXPERTISE:
Tax Law, Tax Planning, Tax Structuring, Tax Compliance, International Tax, Tax Dispute Resolution, and Tax Advocacy.

CAREER:
Highly experienced tax lawyer and advocate in Rwanda. Founding partner at Tax Sense Partners, a tax and finance-focused law firm. Over 20 years of experience consulting for major players in Rwanda's economy and inbound investors in all areas of tax law. Key member of the team that introduced VAT in Rwanda in the late 1990s and 2000.

NATHALIE MUNYAMPENDA (RWANDAN)

DIRECTOR

Master's in Strategic
Communication (Seton Hall University, US)

APPOINTED:
August 22, 2023

EXPERTISE:
Education, Employment and Entrepreneurship, Corporate Leadership, Strategic Communication.

CAREER:
CEO of Kepler, transforming higher education and skills in Rwanda and Ethiopia, President of Kepler Sports, owning basketball and volleyball teams in Rwanda, former Managing Director of the Next Einstein Forum (NEF), previously Coordinator (DG) of Rwanda's Office of the Government Spokesperson.

Board Chair of BK TecHouse and member of several boards, including MUA Insurance Rwanda and Chairperson of the Board Risk Committee at MUA Insurance Rwanda, Amahoro Coalition (Kenya), Kepler College, and CSA Umurage Foundation.

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 2023 are listed on page 1. 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. The Board of Directors meets at least quarterly and is chaired by a non-executive independent director.

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.

BOARD COMMITTEE

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), Mr. Herbert Gatsinzi (independent) and Mr. Jerome Katz (non-independent).

BOARD RISK COMMITTEE

The Board Risk Committee comprises three Directors. It's 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. Aliza Alibhai (non-independent), Ms. Nathalie Munyampenda (independent) and Bertrand Casteres (non-independent), who resigned on the 31st March, 2023.

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) and Mr. Jerome Katz (non-independent).

BOARD MEMBER ATTENDANCE

Director	Ordinary 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	-
Mr. Bertrand Casteres	1/4		1/4	1/4	-
Ms. Nathalie Munyampenda	1/4	-	-	-	1/1
Mr. Herbert Gatsinzi	4/4	4/4	-	4/4	1/1

DIRECTORS' FEES ARE REPORTED ON NOTE 23 (B.II)

MANAGEMENT COMMITTEE

The Management Committee meets each month and is comprised of the executive and senior staff. Its key objective is to monitor the implementation of the 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	
Mr. Konde Bugingo	Managing Director
MANAGEMENT COMMITTEE	
Mr. Francis Nkubana	Director of Finance
Mr. Sylver Gatete	Head of Legal and Company secretary
Mr. Theobald Ndayisaba	Acting Head of Risk & Compliance
Mr. Anthony Ngalika	Head of Re-insurance
Mr. Miravumba Jean Luc	Head of Business Development
Mr. Robert Nkomezi	Head of Underwriting
Mr. Bona Ngendahimana	Head of Claims
Mrs. Suzan Mutamba	Head of Human Resources & Administration
Miss Aisha Mselem	Acting head of customer experience & Marketing
Mr. Javan Uwizeye	Acting Head of IT
Mrs. Regine Brigitte Uwamahoro	Business Relationship Manager

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 12 to 64 which comprise the statement of financial position as at 31 December 2023, 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 material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 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 Accounting 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 on pages 12 to 64 were approved and authorised for issue by the Board of Directors

On 26th of April, 2024

Director

Director


MUA
INSURANCE (RWANDA) LTD.
MOTOR

MANAGEMENT COMMITTEE

Konde Bugingo
MANAGING DIRECTOR

Francis Nkubana
DIRECTOR OF FINANCE

Theobald Ndayisaba
ACTING HEAD OF RISK AND COMPLIANCE

Jean Luc Miravumba
HEAD OF BUSINESS DEVELOPMENT

Aisha Mselem
ACTING HEAD OF CUSTOMER EXPERIENCE & MARKETING

Suzan Mutamba
HEAD OF HUMAN RESOURCES & ADMINISTRATION

Sylver Gatete
HEAD OF LEGAL AND COMPANY SECRETARY

Javan Uwizeye
ACTING HEAD OF IT

Bona Ngendahimana
HEAD OF CLAIMS

Robert Nkomezi
HEAD OF UNDERWRITING

Brigitte Uwamahoro
BUSINESS RELATIONSHIP MANAGER

Anthony Ngalika
HEAD OF RE-INSURANCE

UNDERWRITING DEPARTMENT

The Underwriting Department plays a big role in any insurance company.

It's a department that deals with risk assessment, pricing basically it's the 'Engine of the Company' because this is where all operations start, according to Robert Nkomezi, Head of Underwriting at MUA

In our department we focus on customers, dealing with different stakeholders including brokers, agents, direct clients. I would say our department's contribution to the company's growth is mainly done by focusing on customer needs, the turnaround time.

We changed the way we used to operate, now we have a 24-hour service where our clients can access our services 24/7, this has significantly contributed to quick and smooth service delivery.

We have provided more trainings to our underwriters because their work demands technical specifications. These are the teams that turned around the way we used to operate.

I am happy to report that the team is well equipped at the moment, however much it's a continuous task to train them.

We want to make our underwriters both technical and commercial. What we are doing right now is to sell services to clients directly.

> Our target now is to turn these underwriters to become commercial as we plan to reach more clientele.
>
> We have given ourselves three years for our underwriters to be fully commercial and technical and this will contribute much to growth of the company.

Our target now is to turn these underwriters to become commercial as we plan to reach more clientele.

This has been our challenge and big one on the market because the commercial team can't do the work alone they need support from the underwriters because they are our front line soldiers facing clients on the daily basis. We have given ourselves three years for our underwriters to be fully commercial and technical and this will contribute much to growth of the company.

We dedicated to serve any client at any time and promise to improve our service delivery on a daily basis, we thank our teams for the tremendous work they are doing.

QUOTATION — MAX 30 MIN

- Standard quotation with full documentation.
- Complex quotations with full documentation.

POLICY ISSUANCE — MAX 30 MIN

- Standard quotation with full documentation.
- Complex quotations with full documentation.

POLICY CHANGES* — MAX 30 MIN

- Standard quotation with full documentation.
- Complex quotations with full documentation.

* Includes endorsements and cancellation

CLAIMS DEPARTMENT

MUA Rwanda targets to be end-to-end digital based insurance company.

“Claims department is a crucial department in the insurance industry. We handle all claims that come our way from clients. We make sure our clients are served timely, efficiently to avoid adding more problems on top of what they already have”, says Claims Manager, Bona Ngendahimana.

We have to do this in line with our strategic policies, we have to make sure that we are containing the costs that the insurance is incurring and pay what is supposed to be paid.

We have in place some turnaround times on how we serve our clients, so we have standard benchmark timelines and deadline.

So each and every year we set some strategies on how we have to operate in line with the big goal of the company.

We have set some strategies that we keep following day in day out to meet our ultimate goals.

At MUA quick service is key. The big premiums are in motor insurance, so some of our strategies are related to this.

Third party liabilities are capitalized in other countries which is not the case in Rwanda. So our strategy is to settle these claims (Third party claims) outside court to avoid delays and over compensating.

The world we are operating in now is changing into a digital world and the innovations that we are doing at MUA now or we tend to introduce are digital based, we wish our company to be end-to-end digital based.

MOTOR CLAIMS

DAMAGE BELOW RWF 1M	48 HRS
DAMAGE BELOW RWF 1M	5 DAYS
BODILY INJURY Upon submission of all required documents	15 DAYS

NON-MOTOR CLAIMS

DAMAGE BELOW RWF 10M	5 DAYS
DAMAGE BELOW RWF 10M	21 DAYS

PAYMENTS

DAMAGE BELOW RWF 10M	48 HRS
DAMAGE BELOW RWF 10M	3 DAYS

HUMAN RESOURCE AND ADMINISTRATION

Driving Growth and Excellence at MUA Insurance Rwanda

In the past year, the Human Resource and Administration Department at MUA Insurance Rwanda has played a pivotal role in driving the company's growth and transformation. With the adoption of a new strategic direction, our department has been at the forefront of fostering a culture of innovation, excellence, and continuous improvement.

Our efforts have been instrumental in positioning MUA Insurance Rwanda as an employer of choice in the market, ensuring that we attract and retain the highest quality talent.

One of the key initiatives we implemented was a comprehensive talent management strategy.

This involved a thorough review of our recruitment processes, ensuring that we attract individuals who not only possess the necessary skills but also align with our company values and culture.

By refining our selection criteria and leveraging advanced recruitment tools, we have successfully attracted top talent across various functions, thereby strengthening our workforce and enhancing our overall capabilities.

In addition to recruitment, we have placed a strong emphasis on employee development and engagement. Our training and development programs have been revamped to focus on both technical and soft skills, ensuring that our employees are well-equipped to meet the evolving demands of the industry.

Through targeted workshops, mentorship programs, and continuous learning opportunities, we have empowered our staff to take ownership of their professional growth and contribute more effectively to the company's success.

A significant aspect of our strategy has been the change in mindset we have fostered within the organization. We have actively promoted a culture of open communication, collaboration, and innovation. Regular feedback sessions and team-building activities have been instrumental in breaking down silos and encouraging cross-functional collaboration.

By creating an environment where ideas are freely exchanged and innovation is encouraged, we have harnessed the collective potential of our workforce to drive growth and achieve our strategic objectives.

Our commitment to employee well-being has also been a cornerstone of our HR strategy. Recognizing that a motivated and satisfied workforce is key to achieving business success, we have implemented various initiatives aimed at enhancing work-life balance, promoting mental health, and providing comprehensive employee benefits. These efforts have not only improved employee satisfaction and retention but have also contributed to a more productive and positive workplace culture.

As we move forward, the HR and Administration Department remains dedicated to maintaining the high standards of excellence that define MUA Rwanda.

Our focus will continue to be on attracting, developing, and retaining top talent, fostering a culture of continuous improvement, and positioning MUA Rwanda as the employer of choice in the market.

It is the people who drive our results, and we are committed to ensuring that our employees have the resources, support, and opportunities they need to thrive and contribute to our ongoing success.

2023 HIGHLIGHTS

AGENT TRAINING DAY

MUA Insurance Rwanda Ltd training MUA agents where they were awarded certificates of recognition at the end of the workshop.

Participants were also awarded certificates of out-standing perfomance and appreciation at the end of the workshop

2023 HIGHLIGHTS

END OF YEAR **STAFF PARTY**

MUA Insurance Rwanda Ltd staff getting involved in different activities at the end of year retreat

TEAM BUILDING








MUA staff engage in different activities as part of team building at Century Park, Nyarutarama, Kigali

2023 HIGHLIGHTS

CORPORATE SOCIAL RESPONSIBILITY

Managing Director and Staff visit GSF NGO in their normal practice of giving back to the communities

In their culture of giving back to the communities they operate in, MUA Rwanda visited the NGO where they committed to support the school with providing MUA branded jerseys for sports activities

2023 HIGHLIGHTS

EAST AFRICAN COMMUNICATIONS ORGANIZATION'S **WORKSHOP**

MUA Insurance Rwanda participating in the East African Communications Organisation's summit for 'Smartphone for all Initiative' at the Marriott Hotel

MUA staff participating in the East African Communication Organization, Smartphone for all Initiative

2023 HIGHLIGHTS

WALKING **FOOTBALL CLUB**

MUA signs a deal to sponsor the Federation of International Walking Football team towards the World Nations cup that took place in St. Georges Park, UK


MUA


vonex
MUA


MUA
AT MOVES


MUA
RWANDA
10


24 HOURS
MUA


to provide
24 HOURS SERVICE
Insurance


MUA


vonex
FORZZA
MUA

2023 HIGHLIGHTS

INDIA'S INDEPENDENCE DAY

MUA staff joins the Indian community living in Rwanda in cerebrating India's Independence Day


MUA


MUA
The first insurer to provide
24 HOURS SERVICE
TRAVEL WITH US

2023 HIGHLIGHTS

20KM MARATHON, BUGESERA

Race to Restore Hygiene and No Drugs 20km Bugesera marathon. MUA Insurance Rwanda was the main sponsor of the event


MUA




MUA


MUA

DIRECTOR'S REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2023, 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:

		RESTATED
	2022	2023
CURRENT ASSETS	RWF' 000	RWF' 000
Profit before income tax	3,532,693	1,757,615
Income tax expense	(1,069,879)	(533,253)
Profit for the year	2,462,814	1,224,361
Other comprehensive income (OCI)	5,680	14,969
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,468,495	1,239,330

DIVIDEND

The directors do not recommend payment of dividend in respect of the year ended 31 December 2023 (2022: 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 26th of April, 2024

INDEPENDENT AUDITOR'S REPORT

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 12 to 64, which comprise the statement of financial position as at 31 December 2023, 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 material 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
TRANSITION TO IFRS 17 INSURANCE CONTRACTS	
REFER TO NOTES 2 (A) OF THE FINANCIAL STATEMENTS	
On 1 January 2023, the Company adopted IFRS 17 Insurance Contracts which replaced IFRS 4-Insurance Contracts to account for its insurance contracts. The Company has evaluated the requirements of IFRS 17 and exercised judgment to develop accounting policies and determine appropriate methodologies in order to comply with IFRS 17. In particular, the determination of the measurement models (General Measurement Model (GMM) or Premium Allocation Approach (PAA)) to apply under the standard, the determination of risk adjustment and onerous contract methodologies, and the determination of the discount rate, were deemed to be significant to the overall impact of transition. The new standard has also had a significant impact on the disclosures in the financial statements.	Our audit procedures regarding the transition included: - Evaluating whether management's transition approach assessment(s) are in accordance with the requirements of IFRS 17, by performing the following procedures: a. Challenging whether management have appropriately identified all data required to apply the full retrospective approach (FRA) to each group of contracts/ asset for insurance acquisition cash flows (IACF). This included involvement of our actuarial specialists to query the data used by management,selecting a sample of historical data used and vouching to original supporting documents.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
TRANSITION TO IFRS 17 INSURANCE CONTRACTS	
REFER TO NOTES 2 (A) OF THE FINANCIAL STATEMENTS	
Due to the significance of the changes introduced by the standard, and the significant judgments made regarding the transition to IFRS 17, we considered the transition to the new standard to be a key audit matter.	b. Challenging whether management have appropriately concluded on whether IFRS 17 can be applied retrospectively for each group of contracts/ asset for IACF by involvement of our actuarial specialists to query the data used by management, selecting a sample of historical data used and vouching to original supporting documents. c. Evaluating the appropriateness of the Company's premium allocation approach eligibility analysis for insurance and reinsurance contracts with coverage periods greater than one year, including testing the relevant supporting data, the significant assumptions used and scenarios applied, and testing the accuracy of models used - Assessing the significant judgments used by the Company to determine the relevant accounting policies against the requirements of IFRS 17. This included judgments used to determine the measurement models adopted, risk adjustment, onerous contracts and discount rates used. - Evaluating the appropriateness of the methodology used to determine the risk adjustment, including assessing the underlying discounted cash flow model and significant assumptions. - Evaluating the onerous contract methodology used to identify any groups of onerous contracts on transition. Where onerous contracts were identified, we assessed the appropriateness of the significant assumptions and recalculated the relevant loss recovery components. - Evaluating the adequacy of IFRS 17 transition disclosures in accordance with IFRS Accounting Standards.

<table>
<tr><th>KEY AUDIT MATTER</th><th>HOW THE MATTER WAS ADDRESSED IN OUR AUDIT</th></tr>
<tr><td colspan="2">VALUATION OF INSURANCE CONTRACT LIABILITIES</td></tr>
<tr><td colspan="2">REFER TO NOTES 2 (B) AND 9 OF THE FINANCIAL STATEMENTS</td></tr>
<tr><td>As at 31 December 2023, the Company had insurance contract liabilities of Rwf 9.99 billion (80% of total liabilities) as a result of its insurance operations. The insurance contract liabilities is composed of two components i.e. the liability for incurred claims and the liability for remaining coverage.</td><td>Our procedures over the insurance contract liabilities included the following:
- We tested the key controls designed and operated by the Company over the valuation of the insurance contract liabilities.
- Using our actuarial expertise, we assessed the valuation methodology and assumptions for compliance against the approved Company accounting policy in accordance with IFRS 17.</td></tr>
<tr><td>The Valuation of the Liability for Remaining Coverage is a key audit matter due to the complexity of the actuarial methodology and assumptions used to model separate components of the liability, which result in inherent estimation uncertainty.

The valuation of the Liability for Incurred Claims is a key audit matter as it is highly judgmental and requires assumptions to be made with inherent estimation uncertainty.</td><td>- We tested the key controls designed and operated by the Company over the valuation of the insurance contract liabilities.
- Using our actuarial expertise, we assessed the valuation methodology and assumptions for compliance against the approved Company accounting policy in accordance with IFRS 17.
- We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data and our assessment of the Company's analysis of experience to date and allowance for future uncertainty.</td></tr>
</table>

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<tr><td colspan="2">REFER TO NOTES 2(B) AND 9 OF THE FINANCIAL STATEMENTS</td></tr>
<tr><td>These assumptions can have significant impacts on the valuation. This complexity requires us to exercise judgment when evaluating the methodology and assumptions adopted by the Company.

The most significant assumptions made in the valuation of policy liability balances arising from the Company's insurance contracts relate to:

- Discount rates
- Expected claims incurred arising from future coverage
- Risk adjustment for non-financial risk;
- The uncertainty in the timing of claim payments and recoveries
- Past claims experience being an appropriate predictor of future experience

The assumptions adopted have a significant impact on the financial performance of the Company. As a result, we involved senior audit team members, including specialists, who collectively understand the valuation methodology, the Company's business and the economic and regulatory environment it operates in.</td><td>Our challenge focused on the assumptions applied to claims data and future cashflows and included:

- We considered actual versus expected claims experience in relation to the number of delinquencies and the severity assumptions, together with the timing of claims payments and recoveries using historical data.
- Assessing the consistency of information,such as claims experience and trends within the Company.</td></tr>
</table>

<table>
<tr><th>KEY AUDIT MATTER</th><th>HOW THE MATTER WAS ADDRESSED IN OUR AUDIT</th></tr>
<tr><td colspan="2">VALUATION OF INSURANCE CONTRACT LIABILITIES</td></tr>
<tr><td colspan="2">REFER TO NOTES 2 (B) AND 9 OF THE FINANCIAL STATEMENTS</td></tr>
<tr><td>The Valuation of the Liability for Remaining Coverage is a key audit matter due to the complexity of the actuarial methodology and assumptions used to model separate components of the liability, which result in inherent estimation uncertainty.

The valuation of the Liability for Incurred Claims is a key audit matter as it is highly judgmental and requires assumptions to be made with inherent estimation uncertainty. These assumptions can have significant impacts on the valuation. This complexity requires us to exercise judgment when evaluating the methodology and assumptions adopted by the Company.</td><td>- Benchmarking the risk adjustment adopted by Britam with that of others in the industry and consistency with the risk adjustment adopted at the - previous year-end.
- Consideration of the impact of more recent experience on expected cashflows, including impacts from the current economic environment

a. We considered the Company’s valuation methodology and assumptions for consistency between reporting periods, as well as for indicators of possible bias.</td></tr>
</table>

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
VALUATION OF INSURANCE CONTRACT LIABILITIES	
REFER TO NOTES 2 (B) AND 9 OF THE FINANCIAL STATEMENTS	
The most significant assumptions made in the valuation of policy liability balances arising from the Company's insurance contracts relate to: • Discount rates • Expected claims incurred arising from future coverage • Risk adjustment for non-financial risk • The uncertainty in the timing of claim payments and recoveries • Past claims experience being an appropriate predictor of future experience The assumptions adopted have a significant impact on the financial performance of the Company. As a result, we involved senior audit team members, including specialists, who collectively understand the valuation methodology, the Company's business and the economic and regulatory environment it operates in.	

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 2023 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.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting 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 are 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;
- 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;

- We have reported internal control matters together with our recommendations to management in a separate management letter and;
- 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 responsible for 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: 6th of June, 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

			*RESTATED
		2023	2022
	NOTES	RWF' 000	RWF' 000
Insurance Revenue	6	12,684,756	9,396,972
Insurance Service Expense	7	(7,243,173)	(6,414,738)
Insurance Service Result Before Reinsurance Contracts Held		5,441,583	2,982,234
Allocation of Reinsurance Premium	8	(3,836,285)	(2,398,100)
Amounts recoverable from reinsurers for incurred claims	8	1,126,609	657,785
Net expense from reinsurance contracts held		(2,709,676)	(1,740,315)
Insurance service result		2,731,907	1,241,919
Investment income	14	1,537,643	1,187,342
(Allowance)/reversal of credit loss	2(F)	(33,390)	251
Foreign exchange gains	15	212,970	64,869
Other operating income	16	9,289	-
TOTAL INCOME		**1,726,512**	**1,252,462**

			*RESTATED
		2023	2022
	NOTES	RWF' 000	RWF' 000
Finance expenses for insurance contracts issued	9	(268,909)	(457,856)
Finance income for reinsurance contracts held	9	275,723	350,034
Net insurance financial result		6,814	(107,822)
Non attributable expenses	12	(908,891)	(611,282)
Finance costs	13	(23,649)	(17,662)
Profit before income tax		3,532,693	1,757,615
Income tax expense	17(C)	(1,069,878)	(533,253)
PROFIT FOR THE YEAR		2,462,815	1,224,361
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)	21	5,680	14,969
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,468,495	1,239,330

The notes set out on pages 16 to 64 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

			*RESTATED	*RESTATED
		DECEMBER	DECEMBER	1 JAN
		2023	2022	2022
	NOTES	RWF' 000	RWF' 000	RWF' 000
ASSETS				
Cash and cash equivalents	24	1,460,346	826,950	880,772
Financial assets measured fair value through other comprehensive income	21	147,378	139,502	118,118
Short term deposit at amortised cost	24(B)	4,929,745	2,140,106	3,544,940
Financial assets at amortised cost	20	11,050,703	8,586,613	7,634,174
Long term deposits at amortised cost	24B(II)	497,500	-	398,160
Sundry receivables	22	978,867	380,357	257,895
Due from related parties		-	-	28,627
Reinsurance contract assets	11	2,145,901	4,146,384	5,185,599
Insurance contract assets	10	99,366	48,822	38,417
Property and equipment	18	78,948	54,093	37,632
Intangible assets	19	41,713	39,827	68,470
Deferred income tax asset	17(A)	58,455	216,358	144,950
Right-of-use assets	29	157,890	206,471	246,871
TOTAL ASSETS		**21,646,812**	**16,785,483**	**18,584,625**

EQUITY AND LIABILITIES

			*RESTATED	*RESTATED
		DECEMBER	DECEMBER	1 JAN
		2023	2022	2022
	NOTES	RWF' 000	RWF' 000	RWF' 000
LIABILITIES				
Current income tax	17(B)	238,396	307,642	71,258
Due to related parties	23(A)	44,847	46,542	33,143
Sundry payables	26	1,892,562	2,377,871	2,209,457
Reinsurance Contract Liabilities	11	164,853	108,047	49,547
Insurance Contract Liabilities	10	9,988,913	7,050,422	10,533,322
Lease liabilities	29	224,496	270,709	302,978
TOTAL LIABILITIES		**12,554,067**	**10,161,233**	**13,199,705**
EQUITY				
Share capital	25(A)	3,000,000	3,000,000	1,000,000
Fair value through other comprehensive income reserve	21	72,220	66,540	51,571
Retained earnings	25(B)	6,020,525	3,557,710	4,333,349
TOTAL EQUITY		**9,092,745**	**6,624,250**	**5,384,920**
TOTAL EQUITY AND LIABILITIES		**21,646,812**	**16,785,483**	**18,584,625**

These financial statements set out on page 12 to 64 were approved and authorised for issue by the Board of Directors on 26th April, 2024 and signed on its behalf by: -

.... Director .... Director

The notes set out on pages 16 to 64 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

		SHARE CAPITAL	FVOCI RESERVE	RETAINED EARNINGS	TOTAL
FOR THE YEAR ENDED 31 DECEMBER 2022	NOTES	RWF' 000	RWF' 000	RWF' 000	RWF' 000
AT 1 JANUARY 2022		1,000,000	51,571	4,199,498	5,251,069
Impact of initial application of IFRS 17 (Net of Tax)	25(C)	-	-	133,851	133,851
RESTATED BALANCE AS AT 1 JANUARY 2022		1,000,000	51,571	4,333,349	5,384,920
Profit for the year		-	-	1,224,361	1,224,361
Other comprehensive income	21	-	14,969	-	14,969
Transactions with owners					
Recapitalisation of retained earnings		2,000,000	-	(2,000,000)	-
AS AT 31 DECEMBER 2022		**3,000,000**	**66,540**	**3,557,710**	**6,624,250**
FOR THE YEAR ENDED 31 DECEMBER 2023					
AT 1 JANUARY 2023		3,000,000	66,540	3,557,710	6,624,250
Profit for the year		-	-	2,462,815	2,462,815
Other comprehensive income	21	-	5,680	-	5,680
Transactions with owners					
AS AT 31 DECEMBER 2023		**3,000,000**	**72,220**	**6,020,525**	**9,092,745**

The notes set out on pages 16 to 64 form an integral part of these financial statements.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

			*RESTATED
		2023	2022
	NOTES	RWF' 000	RWF' 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		3,532,693	1,757,615
Adjustment for;			
Depreciation of property and equipment	18	34,465	28,225
Amortization of intangible assets	19	15,651	33,443
Interest income	14	(1,528,868)	(1,184,293)
Impairment provision	2(F)	33,390	251
Depreciation of right-of-use assets	29	48,581	48,581
Lease modification	29	-	(3,978)
Interest expense on lease liabilities	29	37,895	44,783
Net foreign exchange gain		(134,141)	(22,466)
Dividends income	14	(19,785)	(14,143)
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL		**2,019,881**	**688,018**

			*RESTATED
		2023	2022
	NOTES	RWF' 000	RWF' 000
CHANGES IN WORKING CAPITAL			
Decrease of Reinsurance contract assets		2,000,483	1,039,216
(Increase) of Insurance contract assets		(50,544)	(10,404)
Decrease of Due from related parties		-	31,957
Increase of Reinsurance contract liabilities		56,806	58,500
Increase/(decrease) of Insurance contract liabilities		2,938,491	(3,482,899)
(Decrease)/increase of Sundry payables		(485,310)	168,412
(Increase) of Sundry receivables		(598,512)	(122,462)
Increase of Interest receivables on term deposit		(296,158)	(50,860)
Increase of Interest receivables on Government securities		(70,138)	(67,032)
(Decrease)/increase of Due to related parties		(1,694)	13,399
Cash generated from/ (used in) operating activities		5,513,305	(1,734,155)
Interest paid on lease liabilities	29	(37,895)	(44,783)
Income tax paid	17(B)	(983,416)	(374,693)
Interest received	14	1,528,868	1,184,293
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		**6,020,862**	**(969,338)**

			*RESTATED
		2023	2022
	NOTES	RWF' 000	RWF' 000
CHANGES IN WORKING CAPITAL			
Decrease of Reinsurance contract assets		2,000,483	1,039,216
(Increase) of Insurance contract assets		(50,544)	(10,404)
Decrease of Due from related parties		-	31,957
Increase of Reinsurance contract liabilities		56,806	58,500
Increase/(decrease) of Insurance contract liabilities		2,938,491	(3,482,899)
(Decrease)/increase of Sundry payables		(485,310)	168,412
(Increase) of Sundry receivables		(598,512)	(122,462)
Increase of Interest receivables on term deposit		(296,158)	(50,860)
Increase of Interest receivables on Government securities		(70,138)	(67,032)
(Decrease)/increase of Due to related parties		(1,694)	13,399
Cash generated from/ (used in) operating activities		5,513,305	(1,734,155)
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Income tax paid	17(B)	(983,416)	(374,693)
Interest received	14	1,528,868	1,184,293
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		**6,020,862**	**(969,338)**

			*RESTATED
		2023	2022
	NOTES	RWF' 000	RWF' 000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	16	(59,320)	(44,686)
Purchase of intangible assets	17	(17,537)	(4,800)
Dividends received	12	19,785	14,143
Investment in government securities at amortised cost		(2,406,333)	(893,229)
(Purchase)/maturities of the investment in long term deposits		(500,000)	-
(Purchase)/maturities from investment in short term deposits at amortised cost		(2,507,499)	1,857,754
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		**(5,470,904)**	**929,182**

			*RESTATED
		2023	2022
	NOTES	RWF' 000	RWF' 000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities	27	(46,213)	(36,472)
Net increase/(decrease) in cash and cash equivalents		503,745	(76,628)
Cash and cash equivalent at the beginning of the year		829,726	883,888
Net foreign exchange gain		134,141	22,466
Cash and cash equivalent at the end of the year		1,467,612	829,726
RECONCILED TO:			
Cash in hand	24(C)	813	8
Cash at bank	24(C)	1,466,799	829,718
		1,467,612	**829,726**

The notes set out on pages 16 to 64 form an integral part of these 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 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 Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 Accounting 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 (Rwf'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 (Rwf), which is the company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

USE OF JUDGMENTS AND ESTIMATES

In preparing these financial statements, management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

A) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE

The Company has applied IFRS 17 for the first time and has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after 01 January 2023. The Company has restated comparative information for 2022 applying the transitional provisions to IFRS 17. The nature of the changes in accounting policies can be summarised below.

i. CHANGES TO CLASSIFICATION AND MEASUREMENT

The adoption of IFRS 17 did not change the classification of the insurance contracts. The measurement principles of the Premium Allocation Approach ("PAA") differ from the 'earned premium approach' under IFRS 4 in the following key areas:

The Liability for Remaining Coverage ('LRC') reflects premium received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.

Measurement of the LRC includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.

Measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component.

Measurement of the Liability for Incurred Claims ('LIC') (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk.

The liability includes the Company's obligation to pay other incurred insurance expenses.

Measurement of the asset for remaining coverage (reflecting reinsurance premium paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Company allocates acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group.

Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS Accounting standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance LRC of the related group.

ii. CHANGES TO PRESENTATION AND DISCLOSURE

For presentation in the statement of financial position, the Company aggregates insurance contracts issued, and reinsurance contracts held, respectively and presents separately. The portfolios referred to below are those established at initial recognition.

- Portfolios of insurance issued that are assets
- Portfolios of insurance issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The line-item descriptions in the statement of profit or loss have been changed compared with last year. Previously, the Company reported the following line items:

- Gross premium earned
- Premium ceded to reinsurers
- Net earned premium
- Gross claims paid
- Claims ceded to reinsurers
- Gross change in contract liabilities
- Change in contract liabilities ceded to reinsurers.
- Net claims and benefits
- Commission income and other fees
- Commissions and brokerage fees paid

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Allocation of Reinsurance Premium
- Amounts recoverable from reinsurers for incurred claims
- Finance expenses for insurance contracts issued
- Finance income for reinsurance contracts held
- Significant judgments, and changes in those judgments, when applying the standard

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in respect of insurance and reinsurance contracts
- Significant judgments, and changes in those judgments, when applying the standard

III. TRANSITION

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022, the Company:

- Has identified, recognised, and measured each group of insurance contracts as if IFRS 17 had always applied;
- Has identified, recognised, and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified;
- Derecognised any existing balances that would not exist had IFRS 17 always applied; and
- Recognised any resulting net difference in equity.

The Company has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the financial statements at 1 January 2022 are presented in the statement of changes in equity.

iv. FOREIGN CURRENCY TRANSLATION

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

i. Transactions and Balances

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income and as part of investment revaluation reserve in the statement of changes in equity.

B) INSURANCE CONTRACTS

i. INSURANCE AND REINSURANCE CONTRACTS CLASSIFICATION

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company issues non-life insurance to individuals and businesses. These insurance contracts are mainly in respect of motor business, but the Company also sells fire and allied perils, marine, engineering, personal accident, travel and other miscellaneous insurance contracts. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

ii. INSURANCE AND REINSURANCE CONTRACT ACCOUNTING TREATMENT

SEPARATING COMPONENTS FROM INSURANCE AND REINSURANCE CONTRACTS

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS accounting standard instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

LEVEL OF AGGREGATION

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. Under both IFRS 4 and IFRS 17, two segments of business are reported namely Property and Casualty.

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant possibility of becoming onerous, and the remainder.

This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts needs to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts.

As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into the three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new businesses.

The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

RECOGNITION

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous
- The Company recognises a group of reinsurance contracts held it has entered from the earlier of the following:
    - The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and;
    - The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date;
    - The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

CONTRACT BOUNDARY

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premium, or in which the Company has a substantive obligation to provide the policyholder with services.

A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premium up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premium or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

MEASUREMENT - PREMIUM ALLOCATION APPROACH

INSURANCE CONTRACTS – INITIAL MEASUREMENT

The Company applies the PAA to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premium within the contract boundary, Or For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the LRC for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.

In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For a group of contracts that is not onerous at initial recognition, the Company measures the LRC as:

- The premium, if any, received at initial recognition;
- Minus any insurance acquisition cash flows at that date, (refer to Insurance acquisition cash flows);
- Plus, or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows, and;
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

The LRC is not discounted to reflect the time value of money and the effect of financial risk and there is no allowance for time value of money as the premium is received within one year of the coverage period.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the LRC for such onerous group depicting the losses recognised.

The company assumed that for contracts to be considered as onerous their combined loss ratio must be over100% for two consecutive years. From the analysis, travel was found to be onerous for the 2 consecutive years, but the loss was considered immaterial to perform additional analysis to determine if a net outflow is expected from the contract.

REINSURANCE CONTRACTS HELD – INITIAL MEASUREMENT

- The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue;
- Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for the group of reinsurance contracts held depicting the recovery of losses;
- The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

  The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

INSURANCE CONTRACTS – SUBSEQUENT MEASUREMENT

The Company measures the carrying amount of the LRC at the end of each reporting period as the LRC at the beginning of the period

- Plus, premium received in the period;
- Minus insurance acquisition cash flows;
- Plus, any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group;
- Plus, any adjustment to the financing component, where applicable;
- Minus the amount recognised as insurance revenue for the services provided in the period;
- Minus any investment component paid or transferred to the liability for incurred claims if any the group being equal to the fulfilment cash flows. A loss component is established by the Company for the LRC for such onerous group depicting the losses recognised.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfillment cash flows. A loss component is established by the Company for the LRC for such onerous group depicting the losses recognised.

The Company estimates the LIC as the fulfillment cash flows related to incurred claims. The fulfillment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment).

The Company adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of LIC that are expected to be paid within one year of being incurred.

Any premium receivable for past service is recognised as part of the LRC.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium that relate to recovering those cash flows (through insurance revenue).

REINSURANCE CONTRACTS HELD – SUBSEQUENT MEASUREMENT

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

INSURANCE ACQUISITION CASH FLOWS

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company elected to include the insurance acquisition costs in the liability for remaining coverage and uses a systematic and rational method to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

   (i) to that group; and

   (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

(b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

INSURANCE CONTRACTS – MODIFICATION AND DERECOGNITION

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled, or expired) or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant LRC.

PRESENTATION

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

The Company disaggregates the total amount recognised in the statement of profit or loss into Insurance service result', comprising insurance revenue and insurance service expense, and 'Insurance finance income or expenses'.

The Company disaggregates the changes in risk adjustment for non-financial risk between insurance service result and insurance finance income and expenses.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

INSURANCE REVENUE

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

LOSS COMPONENTS

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the LRC of the group. Accordingly, by the end of the coverage period of the group of contracts, the loss component will be zero.

LOSS-RECOVERY COMPONENTS

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

INSURANCE FINANCE INCOME AND EXPENSE

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company does not disaggregate insurance finance income or expenses on insurance contracts issued for all its classes of business between profit or loss and OCI.

NET INCOME OR EXPENSE FROM REINSURANCE CONTRACTS HELD

The Company presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid.

The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss.

PREMIUM ALLOCATION APPROACH (PAA) ELIGIBILITY

IFRS 17 OPTIONS

Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general measurement model.

ADOPTED APPROACH.

Except for Decennial liability, Contractors All Risks liability and Erection All Risk liability, the coverage period for all products issued and reinsurance assumed is one year or less and so qualifies directly for PAA. Decennial liability, Contractors All Risks liability and Erection All Risk liability include contracts with coverage period over one year. However, there is no material difference in the LRC between PAA and the general measurement model, therefore, these qualify for PAA.

INSURANCE ACQUISITION CASH FLOWS FOR INSURANCE CONTRACTS ISSUED

Where the coverage period of all contracts within a group is no longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group.

For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group. For all insurance contracts issued, the insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.

Liability for Remaining Coverage (LRC), adjusted for financial risk and time value of money where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money. For all claims, the LIC is adjusted for the time value of money.

INSURANCE FINANCE INCOME AND EXPENSE

There is an option to disaggregate part of the movement in LIC resulting from changes in discount rates and present this in OCI.

For all business, the change in LIC as a result of changes in discount rates will be captured within profit or loss.

C) 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 on a straight-line basis 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

D) 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.

E) 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%

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.

F) FINANCIAL ASSETS

i) CLASSIFICATION

Recognition and initial measurement

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:

- 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:

- 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 2023 is as follow:

FINANCIAL ASSETS	MEASUREMENT CATEGORY	EXPOSURE AT DEFAULT (EAD)	EXPECTED CREDIT LOSS (ECL)	CARRYING AMOUNT
		RWF' 000	RWF' 000	RWF' 000
Long term fixed deposits investments	Amortised cost	500,000	2,500	497,500
Short term fixed deposits investments	Amortised cost	4,954,517	24,772	4,929,745
Treasury bill	Amortised cost	908,033	4,540	903,493
Government bond	Amortised cost	10,198,201	50,991	10,147,210
Demand deposit balances	Amortised cost	1,466,798	7,266	1,459,532
FVOCI (Investments in equity instruments)	FVOCI	147,378	-	147,378
TOTAL		18,174,927	90,069	18,084,858

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

31 DECEMBER 2023	OPENING ECL	ECL ON NEW EXPOSURES RAISED	SUBSEQUENT CHANGES IN ECL	INCOME STATEMENT MOVEMENTS	CLOSING ECL
FINANCIAL ASSETS					
Long term fixed deposits Investments	2,000	-	500	(500)	2,500
Short term fixed deposits Investments	8,754	20,715	(4,697)	(16,018)	24,772
T bills	5,077	4,540	(5,077)	537	4,540
T bond	38,072	15,756	(2,837)	(12,919)	50,991
Demand deposit balances	2,776		4,490	(4,490)	7,266
TOTAL	56,679	41,011	(7,621)	(33,390)	90,069

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	EXPOSURE AT DEFAULT (EAD)	EXPECTED CREDIT LOSS (ECL)	CARRYING AMOUNT
		RWF' 000	RWF' 000	RWF' 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 year.

31 DECEMBER 2023	OPENING ECL	ECL ON NEW EXPOSURES RAISED	SUBSEQUENT CHANGES IN ECL	INCOME STATEMENT MOVEMENTS	CLOSING ECL
FINANCIAL ASSETS					
Long term fixed deposits Investments	1,840	-	160	160	2,000
Short term fixed deposits Investments	12,814	-	(4,060)	(4,060)	8,754
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**

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 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 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.

Rights and obligations arising under an insurance contract as defined in IFRS 17 Insurance Contracts are outside the scope of IFRS 9.

Cash and cash equivalents

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 with original maturities of three months or less from the date of acquisition. 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.

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.

Sundry payables

Sundry payables are recognised when due and measured on initial recognition at their fair value. Subsequent to initial recognition, they are measured at amortised cost.

Sundry payables are derecognised when the obligation under the liability is settled or cancelled.

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.

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

PROVISIONS

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.

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.

BENEFITS, CLAIMS AND EXPENSES RECOGNITION

Gross benefits and 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.

INCOME TAX EXPENSE

i) 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.

ii) 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.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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.

New standards, amendments and interpretations effective and adopted during the year ended 31 December 2023

The following new or amended standards and interpretations have become effective for financial year beginning on or after 1 January 2023:

DESCRIPTION	EFFECTIVE DATE
IFRS 17 Insurance Contracts	1 Jan 2023
Disclosure of Accounting Policies (Amendments to IAS 1)	1 Jan 2023
Definition of accounting Estimates-Amendment to IAS 8	1 Jan 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction Amendments to IAS 12 Income Taxes	1 Jan 2023
International tax reform -Amendment to IAS 12	23 May 2023

The above amendments did not have a significant impact on the financials statements of the company except as described below.

The company has initially applied IFRS 17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the company has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

Except for the changes below, the company has consistently applied the accounting policies as set out in Note 7 to all periods presented in these financial statements.

The nature and effects of the key changes in the company's accounting policies resulting from its adoption of IFRS 17 in note 2 (a) &(b).

New standards, amendments, and interpretations in issue but not yet effective for the year ended 31 December 2023

The following new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2023 and have not been applied in preparing these financial statements.

STANDARDS AVAILABLE FOR EARLY ADOPTION	EFFECTIVE DATE
Classification of liabilities as current and non-current (Amendments to IAS 1)	1 Jan 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 Jan 2024
Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)	1 Jan 2024
Non – current Liabilities with Covenants (Amendments to IAS 1)	1 Jan 2024
Lack of exchangeability – Amendments to IAS 21	1 Jan 2025

All the above standards and Interpretations will be adopted at their effective date (except for those standards and Interpretations that are not applicable to the entity and are not expected to have a material impact on the company

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 and;

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.

In the current year, actuaries have determined that additional gross reserves of Rwf 143 million in relation to incurred but not enough reported is booked.

Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not reported (IBNR) claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.

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 recognized 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 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.

Establishing groups of assets with similar credit risk characteristics:

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.

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. It's 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 weather it will exercise a purchase, extension or termination option; or
- a revised in substance fixed lease payment.

When the lease lability 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.

4. RISK AND CAPITAL MANAGEMENT.

Insurance and reinsurance contracts expose the company to underwriting risk, which comprises insurance risk, policyholder behaviour risk and expense risk.

In addition, the company is exposed to financial and operational risks from insurance and reinsurance contracts and financial instruments.

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

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

(iv) 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 that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is the risk that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and sector concentrations, and by monitoring exposures in relation to such limits. It is the Company's policy to invest in high quality financial instruments with a low risk of default.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors.

At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance strategy.

Exposure to credit risk

Financial Assets	2023	2022
	RWF' 000	RWF' 000
Cash at bank	1,459,533	826,942
Short term deposit	4,954,517	2,150,860
Long term deposit	500,000	-
Debt instruments at Financial assets at amortised cost	11,106,234	8,629,762
	18,020,284	**11,607,564**
Non-Financial assets bearing credit risk	2,145,901	4,146,384
Reinsurance contract assets	99,366	48,822
Insurance contract assets	**2,245,267**	**4,195,206**

All the above financial assets and non-financial assets are ranked in first grade

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

II) LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance.

Liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also, a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance.

Recoveries

The Company prepares its cash flow projection for 3 months and rolls it forward on quarterly basis and 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 90 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.

2023	Less than 3 months	3–12 months	1–5 years	After 5 years	Total
	Rwf' 000	Rwf' 000	Rwf' 000	Rwf' 000	Rwf' 000
ASSETS					
Financial assets measured at FVTOCI	147,378	-	-	-	147,378
Long term deposit	-	-	497,500	-	497,500
Short term deposit	-	4,929,745			4,929,745
Cash and cash equivalent	1,460,346	-	-	-	1,460,346
Government securities	484,332	530,431	4,448,986	5,279,081	10,742,830
AT 31 DECEMBER 2023	**2,092,056**	**5,460,176**	**4,946,486**	**5,279,081**	**17,777,799**
LIABILITIES					
Sundry payables	607,376	1,195,011	-	-	1,802,387
Lease liabilities	-	84,108	336,431		420,539
Due to related parties	44,847	-	-	-	44,847
AT 31 DECEMBER 2023	652,223	1,279,119	336,431	-	465,383
LIQUIDITY SURPLUS	**1,439,833**	**4,181,057**	**4,610,055**		**17,312,416**

	Less than 3 months	3–12 months	1–5 years	After 5 years	Total
	Rwf' 000	Rwf' 000	Rwf' 000	Rwf' 000	Rwf' 000
INSURANCE CONTRACT ASSETS					
Reinsurance contract assets	235,232	705,696	1,204,973	-	2,145,901
Insurance contract assets	22,466	67,399	9,501	-	99,366
AT 31 DECEMBER 2023	**257,698**	**773,095**	**1,214,474**	**-**	**2,245,267**
INSURANCE CONTRACT LIABILITIES					
Reinsurance Contract Liabilities	20,386	61,159	83,308	-	164,853
Insurance Contract Liabilities	1,380,839	4,142,518	4,465,556		9,988,913
AT 31 DECEMBER 2023	1,401,225	4,203,676	4,548,864	-	10,153,766
LIQUIDITY GAP	**(1,143,527)**	**(3,430,582)**	**(3,334,390)**		**(7,908,499)**
ASSETS					
Financial assets measured at FVTOCI	139,502	-	-	-	139,502
Due from related parties	-	-	-	-	-
Long term deposit	-	-	-	-	-
Short term deposit	-	2,140,106			2,140,106
Cash and cash equivalent	826,950	-	-	-	826,950
Government securities	1,197,678	5,072,767	1,468,977	847,192	8,586,614
AT 31 DECEMBER 2022	**2,164,130**	**7,212,873**	**1,468,977**	**847,192**	**11,693,172**

LIABILITIES					
Sundry payables	584,859	1,754,577	-	-	2,339,436
Lease liabilities		81,255	325,020		406,275
Due to related parties	46,542	-	-	-	46,542
AT 31 DECEMBER 2022	**631,401**	**1,835,832**	**325,020**	**-**	**2,792,253**
Liquidity surplus	1,393,229	5,377,041	1,143,957	847,192	8,900,919

The following table provides a maturity analysis of the insurance and reinsurance contracts which reflects the dates on which the cashflows are expected to occur.

ESTIMATES OF PRESENT VALUE OF FUTURE CASH FLOWS

	Less than 3 months	3–12 months	1–5 years	After 5 years	Total
	Rwf' 000	Rwf' 000	Rwf' 000	Rwf' 000	Rwf' 000
Insurance contract assets					
Reinsurance contract assets	235,759	707,277	3,203,347	-	4,146,383
Insurance contract assets	10,551	31,653	6,618	-	48,822
AT 31 DECEMBER 2022	**246,310**	**738,930**	**3,209,965**	**-**	**4,195,205**

CONTINUED	Less than 3 months	3–12 months	1–5 years	After 5 years	Total
Insurance contract liabilities					
Reinsurance Contract Liabilities	24,503	73,509	10,036	-	108,048
Insurance Contract Liabilities	977,529	2,932,587	3,140,306	-	7,050,422
AT 31 DECEMBER 2022	**1,002,032**	**3,006,096**	**3,150,342**	-	**7,158,470**
Liquidity surplus	(755,722)	(2,267,166)	59,623	-	(2,963,265)

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 Company mitigates some of the foreign currency risk associated with insurance contracts by holding reinsurance contracts, denominated in the same currencies as its insurance contract liabilities.

The amounts below summarise the foreign currency exposure position as at 31 December 2023

TOTAL		
USD currency	RWF' 000	RWF' 000
AS AT 31 DECEMBER 2023		
Cash and bank (Asset)	779,405	779,405
Due to related parties (Liability)	(31,856)	(31,856)
NET FINANCIAL POSITION	747,549	747,549
AS AT 31 DECEMBER 2022		
Cash and bank (Asset)	17,341	17,341
Due to related parties (Liability)	(46,542)	(46,542)
NET FINANCIAL POSITION	(29,201)	(29,201)

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

	2023	2022
	Effect on profit before tax	Effect on profit before tax
CURRENCY – USD	RWF' 000	RWF' 000
18%/6% Rwf Movement	132,557	1,752
-18%/-6% Rwf Movement	(132,557)	(1,752)

INDEPENDENT AUDITOR'S REPORT CONTINUED

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance. Contract or reinsurance contract will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk. There is no direct contractual relationship between financial assets and insurance contracts.

However, the Company's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate fixed rate instrument to support the insurance contract liabilities.

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

		2023		2022	
RWF' 000	Change in Interest rate	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
	%				
Financial assets at Amortised cost (T-Bond)	0.50	5,062	3,574	3,779	2,668
Financial assets at Amortised cost (T-Bill)	1.51	1,365	964	1,526	1,078
Term deposits	3.30	17,898	12,636	7,058	4,983
Reinsurance contract assets	0.61	1,309	924	2,529	1,786
Insurance contract assets	0.61	61	43	30	21
Financial assets at Amortised cost (T-Bond)	-0.50	(5,062)	(3,574)	(3,779)	(2,668)
Financial assets at Amortised cost (T-Bill)	-1.51	(1,365)	(964)	(1,526)	(1,078)
Term deposits	-3.30	(17,898)	(12,636)	(7,058)	(4,983)
Reinsurance contract assets	-0.61	(1,309)	(924)	(2,529)	(1,786)
Insurance contract assets	-0.61	(61)	(43)	(30)	(21)

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.

		EFFECT ON EQUITY	EFFECT ON OCI
	CHANGE IN VARIABLES	RWF' 000	RWF' 000
AS AT 31 DECEMBER 2023			
Quoted investments on the Rwanda Stock Exchange	'+-5%	7876 / (7876)	5,592/ (5,592)
AS AT 31 DECEMBER 2022			
Quoted investments on the Rwanda Stock Exchange	+/-15%	21,384 / (21,384)	14,969/ (14,969)

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.

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 liability for incurred claims.

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.

i) Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions.

RWF' 000	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Expected loss	10%	535,867	391,270	378,322	276,237
Inflation rate	6.4%	342,955	250,413	242,126	176,791
Expected loss	-10%	(535,867)	(391,270)	(378,322)	(276,237)
Inflation rate	-6.4%	(342,955)	(250,413)	(242,126)	(176,791)

ii) Claims development table

The following table show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment.

Claim Development Schedule	2018	2019	2020	2021	2022	2023
At end of claim year	2,840,121	3,048,631	6,921,918	2,095,174	3,091,708	3,885,535
One year later	316,155	160,438	102,270	344,027	256,230	-
Two years later	15,020	18,670	11,822	12,567	-	-
Three years later	15,020	581	3,590	-	-	-
Four years later	2,823	3	-	-	-	-
Five years later	-	-	-	-	-	-
	-	-	-	-	-	-
Gross claims incurred	3,503,136	3,529,607	7,326,349	3,010,528	4,150,856	6,214,278
Gross IBNR	-	-	19,659	21,721	333,575	798,160
Ultimate gross claims projected	3,503,136	3,529,607	7,346,009	3,032,249	4,484,431	7,012,438

iii) Maximum insured loss

CLASS OF BUSINESS		2023	2022
		RWF' 000	RWF' 000
Fire	Gross	2,359,679,524	1,944,906,518
	Net	514,768,043	551,828,150
Engineering	Gross	1,258,939,934	774,653,628
	Net	155,769,228	143,781,417
Bonds	Gross	12,234,919	15,303,378
	Net	3,042,379	6,035,998
General Accident	Gross	2,030,438,457	942,637,048
	Net	283,431,177	271,533,764
Marine	Gross	275,415,139	81,486,101
	Net	70,381,532	60,754,628
Motor	Gross	342,888,548	252,663,453
	Net	309,405,347	220,012,822
Travel	Gross	33,532	35,427
	Net	10,747	11,452
TOTAL	GROSS	**6,279,630,053**	**4,011,685,553**
	NET	**1,336,808,453**	**1,253,958,231**

iv) 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.

v) 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.

vi) 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.
- Exposure reflects strategic goals that are not overly aggressive and are compatible with developed business strategies.
- Whether management information systems effectively support strategic direction and initiatives.
- 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.
- Whether strategic initiatives are supported by sound due diligence and strong risk management systems. The decisions can be reversed with little difficulty and manageable costs.

After assessment of strategic risks based on above criteria, management is convinced that this risk is low.

vii) 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.

viii) 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.

ix) 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 Rwf 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 for short assets 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 assets:	Actively traded government and other agency securities	Corporate and other governments securities	Highly structured OTC derivatives with unobservable parameters
Types of financial liabilities:	Listed equities	Unlisted equities	Highly structured OTC derivatives with unobservable parameters
	Listed derivative instruments	Over-the-counter derivatives	

VALUATION METHODS AND ASSUMPTIONS

Financial assets at FVOCI, Government securities at amortised cost, term deposits 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).

			Fair value measurement using	
	Carrying amount	Fair value	Quoted prices in active markets	Significant observable inputs
			Level 1	Level 2
31 DECEMBER 2023:	RWF '000	RWF '000	RWF '000	RWF '000
Financial assets at FVOCI	147,378	147,378	147,378	-
Government securities at amortised cost	11,050,703	11,106,234		11,106,234
Long term deposits at amortised cost	497,500	500,000		500,000
Short term deposits at amortised cost	4,929,745	4,954,517	-	4,954,517
31 DECEMBER 2022:	RWF '000	RWF '000	RWF '000	RWF '000
Financial assets at FVOCI	139,502	139,502	139,502	-
Government securities at amortised cost	8,586,613	8,629,762		8,629,762
Long term deposits at amortised cost	-	-	-	-
Short term deposits at amortised cost	2,140,106	2,150,860	-	2,150,860

There were no transfers between level 1 and level 2 fair value measurements.

	2023	2022
	RWF' 000	RWF' 000
6. INSURANCE REVENUE	**12,684,756**	**9,396,972**
7. INSURANCE SERVICE EXPENSES		
Claims	(4,538,972)	(3,508,271)
Expenses	(883,619)	(696,214)
Insurance acquisition cash flows expensed when incurred		
Amortisation of insurance acquisition cash flows	(2,280,385)	(1,656,356)
Incurred insurance service expenses	(7,702,976)	(5,860,841)
Changes in estimates in LIC fulfilment cash flows	(1,002,079)	315,098
Experience adjustments in claims and other insurance service expenses in LIC	1,461,882	(868,995)
Changes that relate to past service	459,803	(553,897)
TOTAL INSURANCE SERVICE EXPENSES	**(7,243,173)**	**(6,414,738)**
8. NET EXPENSES FROM REINSURANCE CONTRACTS		
Allocation of the premiums paid	(3,836,285)	(2,398,100)
AMOUNTS RECOVERED FROM REINSURANCE		
Claims	1,190,239	529,407
Expenses	(111,937)	(91,824)
Incurred insurance service expenses	1,078,302	437,583
Changes that relate to past service (changes in fulfilment cash flows LIC):		
Changes in estimates in LIC fulfilment cash flows	(1,589,800)	1,764,904

CONTINUED	RWF' 000	RWF' 000
Experience adjustments in claims and other insurance service expenses in LIC	1,638,107	(1,544,702)
	48,307	220,202
	1,126,609	657,785
9. INSURANCE FINANCIAL RESULT		
Insurance finance income or expense from insurance contracts		
Interest accreted on present value cash flows	(371,659)	(473,628)
Interest accreted on risk adjustment	(15,664)	(12,657)
The effect of time value of money and changes in the time value of money	(387,323)	(486,285)
The effect of financial risk and changes in financial risk	118,414	28,429
	(268,909)	(457,856)
Insurance finance income or expense from reinsurance contracts		
Interest accreted on present value cash flows	290,471	285,612
Interest accreted on risk adjustment	4,878	3,457
The effect of time value of money and changes in the time value of money	295,349	289,069
The effect of financial risk and changes in financial risk	(19,626)	60,965
	275,723	350,034

10. ROLL-FORWARD OF NET ASSET OR LIABILITY FOR INSURANCE CONTRACTS ISSUED SHOWING THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS

	2023			
	Liabilities for remaining coverage	Liabilities for incurred claims		
	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	TOTAL
	RWF' 000	RWF' 000	RWF' 000	RWF' 000
Insurance contract assets as at 01 January	(56,763)	6,640	1,301	(48,822)
Insurance contract liabilities as at 01 January	3,282,055	3,601,837	166,530	7,050,422
Net insurance contract liabilities as at 01 January	3,225,292	3,608,477	167,831	7,001,600
INSURANCE REVENUE				
Post transition	(12,684,756)	-	-	(12,684,756)
TOTAL INSURANCE REVENUE	(12,684,756)			(12,684,756)

CONTINUED	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	TOTAL
INSURANCE SERVICE EXPENSES				
INCURRED INSURANCE SERVICE EXPENSES:				-
Claims	-	4,428,066	110,907	4,538,973
Expenses	-	883,619	-	883,619
Amortisation of insurance acquisition cash flows*	2,280,385	-	-	2,280,385
Changes that relate to past service (changes in fulfilment cash flows LIC)	-	(331,106)	(128,697)	(459,803)
TOTAL INSURANCE SERVICE EXPENSES	2,280,385	4,980,579	(17,790)	7,243,174
TOTAL INSURANCE SERVICE RESULT	(10,404,371)	4,980,579	(17,790)	(5,441,582)
INSURANCE FINANCE INCOME OR EXPENSE				
The effect of and changes in time of time value of money and financial risk		257,236	11,673	268,909
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	-	257,236	11,673	268,909
TOTAL CHANGES IN THE STATEMENT OF FINANCIAL PERFORMANCE	(10,404,371)	5,237,815	(6,117)	(5,172,673)

CONTINUED	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	TOTAL
CASH FLOWS				
Premium received	14,295,082	-		14,295,082
Claims and other expenses paid	-	(3,637,937)		(3,637,937)
Insurance acquisition cash flows	(2,596,525)	-		(2,596,525)
TOTAL CASH FLOWS	11,698,558	(3,637,938)	-	8,060,620
Net insurance contract liabilities as at 31 December	1,294,187	1,599,877	(6,117)	9,889,547
Insurance contract assets as at 31 December	(110,767)	9,553	1,848	(99,366)
Insurance contract liabilities as at 31 December	4,630,246	5,198,801	159,866	9,988,913
Net insurance contract liabilities as at 31 December	4,519,479	5,208,354	161,714	9,889,547

	2023			
	Liabilities for remaining coverage	Liabilities for incurred claims		
	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	TOTAL
	RWF' 000	RWF' 000	RWF' 000	RWF' 000
Insurance contract assets as at 01 January	(56,763)	6,640	1,301	(48,822)
Insurance contract liabilities as at 01 January	3,282,055	3,601,837	166,530	7,050,422
Net insurance contract liabilities as at 01 January	3,225,292	3,608,477	167,831	7,001,600

				2022
	Liabilities for remaining coverage	Liabilities for incurred claims		
	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment	TOTAL
	RWF' 000	RWF' 000	RWF' 000	RWF' 000
Insurance contract assets as at 01 January	(44,101)	4,470	1,214	(38,417)
Insurance contract liabilities as at 01 January	3,274,575	7,089,024	169,722	10,533,322
Net insurance contract liabilities as at 01 January	3,230,474	7,093,494	170,936	10,494,904
INSURANCE REVENUE				
Post transition	(9,396,972)			(9,396,972)
TOTAL INSURANCE REVENUE	(9,396,972)	-	-	(9,396,972)

INSURANCE SERVICE EXPENSES				
Claims	-	3,428,062	80,210	3,508,272
Expenses	-	696,214	-	696,214
Amortisation of insurance acquisition cash flows*	1,656,356	-	-	1,656,356
Changes that relate to past service (changes in fulfilment cash flows LIC)	-	650,100	(96,202)	553,898
TOTAL INSURANCE SERVICE EXPENSES	**1,656,356**	**4,774,376**	**(15,992)**	**6,414,740**
TOTAL INSURANCE SERVICE RESULT	**(7,740,616)**	**4,774,376**	**(15,992)**	**(2,982,232)**
INSURANCE FINANCE INCOME OR EXPENSE				
The effect of and changes in time of time value of money and financial risk	-	444,969	12,888	457,857
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	**-**	**444,969**	**12,888**	**457,857**
TOTAL CHANGES IN THE STATEMENT OF FINANCIAL PERFORMANCE	**(7,740,616)**	**5,219,345**	**(3,104)**	**(2,524,375)**
CASH FLOWS				
Premium received	9,488,734	-	-	9,488,734
Claims and other expenses paid	-	(8,704,360)	-	(8,704,360)
Insurance acquisition cash flows	(1,753,299)	-	-	(1,753,299)
TOTAL CASH FLOWS	**7,735,434**	**(8,704,360)**	-	**(968,925)**
Net insurance contract (assets)/liabilities as at 31 December	(5,182)	(3,485,017)	(3,105)	7,001,600
Insurance contract assets as at 31 December	(56,763)	6,640	1,301	(48,822)
Insurance contract liabilities as at 31 December	3,282,055	3,601,837	166,530	7,050,422
Net insurance contract liabilities as at 31 December	3,225,292	3,608,477	167,831	7,001,600

11. ROLL-FORWARD OF NET ASSET OR LIABILITY FOR REINSURANCE CONTRACTS HELD SHOWING THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS

	2023			
	Liabilities for remaining coverage	Liabilities for incurred claims		
	Excluding loss component	Estimates of the present value of future cash flows	Risk adjustment	TOTAL
	RWF' 000	RWF' 000	RWF' 000	RWF' 000
Reinsurance contract assets as at 01 January	302,367	3,802,081	41,936	4,146,384
Reinsurance contract liabilities as at 01 January	(120,090)	11,208	835	(108,047)
Net reinsurance contract assets as at 01 January	182,277	3,813,289	42,771	4,038,337
ALLOCATION OF THE PREMIUMS PAID:				
Post transition	(3,836,285)			(3,836,285)
TOTAL ALLOCATION OF PREMIUMS PAID	(3,836,285)	-	-	(3,836,285)
AMOUNTS RECOVERED FROM REINSURANCE				
Recoveries of incurred claims and other insurance service expense	-	1,033,765	44,537	1,078,302
Changes related to past service (changes related to incurred claims component)	-	80,424	(32,117)	48,307
TOTAL AMOUNTS RECOVERED FROM REINSURANCE	-	1,114,189	12,420	1,126,609
TOTAL NET EXPENSES FROM REINSURANCE	(3,836,285)	1,114,189	12,420	(2,709,676)

INSURANCE FINANCE INCOME OR EXPENSE				
The effect of and changes in time of time value of money and financial risk	-	272,423	3,300	275,723
TOTAL INSURANCE FINANCE INCOME OR EXPENSE	-	272,423	3,300	275,723
TOTAL CHANGES IN THE STATEMENT OF FINANCIAL PERFORMANCE	(3,836,285)	1,386,612	15,720	(2,433,953)
CASH FLOWS				
Premiums and premium tax paid	4,089,118	-	-	4,089,118
Amounts recovered	-	(3,712,453)	-	(3,712,453)
TOTAL CASH FLOWS	4,089,118	(3,712,453)	-	376,665
Net reinsurance contract assets/(liabilities) as at 31 December	435,110	1,487,448	58,490	1,981,048
Reinsurance contract assets as at 31 December	699,933	1,403,849	42,119	2,145,901
Reinsurance contract liabilities as at 31 December	(264,823)	83,599	16,371	(164,853)
Net reinsurance contract assets as at 31 December	435,110	1,487,448	58,490	1,981,048

12. NON ATTRIBUTABLE EXPENSES

	2023	2022
	RWF' 000	RWF' 000
Contribution to private sector federation	1,500	1,500
HR consultancy	19,419	1,745
Consultancy fees	48,477	3,796
Other group charges	1,487	25,410
IFRS 17 charges	45,387	87,004
VAT reversal charges	6,187	119
Local taxation	9,990	2,365
Donations	18,896	2,875
Attestation fee	35	60
Other expenses	36,640	17,974
Fines	1,900	12,098
Food and beverage	8,760	-
Kitchen utensils	1,250	-
Audit fees	24,841	27,732
Directors renumeration, fees and benefits	41,965	43,348
Insurance fees	13,632	21,056
Legal fees	370	48
Marketing expenses	115,855	58,168
Bad debts written-off	83,739	-
Training fees	6,765	4,784
Staff related expenses	25,811	1,300
Company rating expenses	11,300	-
Non attributable staff salaries*	384,685	299,900
	908,891	611,282

*These are staff salaries that are not directly attributable to Insurance and reinsurance contracts.

13. FINANCE COST

Bank charges	23,649	17,662

	2023	2022
14. INVESTMENT INCOME	**RWF' 000**	**RWF' 000**
Interest on fixed deposits	1,528,868	1,184,293
Investment expense	(11,010)	(11,094)
Dividend income	19,785	14,143
	1,537,643	**1,187,342**

15. FOREIGN EXCHANGE GAIN

Foreign exchange gain	212,970	64,869

16. OTHER INCOME

Other income	9,289	-
	9,289	**-**

17. TAXATION

DEFERRED INCOME TAX ASSET	At start of year	Prior adjustment via profit or loss	Charge/ (Credit) to profit or loss	At year end
	RWF' 000	RWF' 000	RWF' 000	RWF' 000
Year ended 31 December 2023				
Accrued expenses	36,972		18,677	55,649
Expected Credit Losses on receivables	168,709		56,066	224,775
Leave accrual	1,554	(141)	12,074	13,487
Property and equipment	(1,298)		555	(743)
Expected credit losses on financial assets	17,007		9,479	26,486
Lease	21,816		262	22,078
Insurance and reinsurance contract	(26,972)		(252,680)	(279,652)
	217,788	(141)	(155,567)	62,080
Fair value on equity investment	(1,429)		(2,196)	(3,625)
	216,358	**(141)**	**(157,763)**	**58,455**
Year ended 31 December 2022				
Accrued expenses	2,293		34,679	36,972
Expected Credit Losses on receivables	162,802		5,907	168,709
Leave accrual	1,554		-	1,554
Property and equipment	(4,435)		3,137	(1,298)
Expected credit losses on financial assets	16,932		75	17,007

Lease	18,183		3,633	21,816
Impact of (profit)/loss from Insurance and reinsurance contract	(57,365)		30,393	(26,972)
	139,964		77,824	217,788
Fair value on equity investment	**4,986**		**(6,415)**	**(1,429)**
	144,950		71,409	216,358

The components of income tax expense for the years ended 31 December 2023 and 31 December 2022 are:

	2023	2022
Income tax expense	**RWF'** 000	**RWF'** 000
Current income tax	914,170	611,077
Deferred income tax credit	155,708	(77,824)
Income tax expense	1,069,878	533,253
CURRENT INCOME TAX PAYABLE	2023	2022
	RWF' 000	**RWF'** 000
AS AT 1 JANUARY	**307,642**	**71,258**
Charge for the year (Note 17.c)	914,170	611,077
Paid during the year	(983,416)	(374,693)
AS AT 31 DECEMBER	**238,396**	**307,642**

During quarter 3 of 2023, the tax authority changed the income tax rate from 30% to 28%, thus on the income tax expense of 2023 we used the weighted average tax rate of 29.4%.

Reconciliation between the tax expense and the accounting profit multiplied by Rwanda's domestic tax rate for the years ended 31 December 2023 and 31 December 2022 is as follows:

ACCOUNTING PROFIT BEFORE INCOME TAX	3,532,693	1,757,615
Statutory income tax rate of 29.4% (2022:30%)	1,038,709	527,284
Tax effect on non-deductible expenses*	31,975	10,212
Effect of change in tax rate*	4,870	-
Tax effect on non-taxable income*	(5,675)	(4,243)
	1,069,879	533,253

Included in non-deductible expenses are items such as impairment of assets, effect of IFRS16 and effect of IFRS 17. These items are expected to recur in future periods.

*The effective income tax rate is 29.4% in 2023 and 30% in 2022

	Motor Vehicles	Computer equipment	Furniture and Fittings	Office Equipment	Leasehold improvements	Total
PROPERTY AND EQUIPMENT	**RWF' 000**	**RWF' 000**	**RWF' 000**	**RWF' 000**	**RWF' 000**	**RWF' 000**
COST						
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**
As at 1 January 2023	**48,175**	**138,597**	**27,398**	**32,843**	**49,421**	**296,434**
Additions	17,082	14,465	7,143	20,630	-	59,320
As at 31 December 2023	**65,257**	**153,062**	**34,541**	**53,473**	**49,421**	**355,754**
ACCUMULATED DEPRECIATION						
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**
As at 1 January 2023	41,221	109,930	13,809	29,521	47,860	242,341
Charge for the year	9,780	14,963	4,865	4,135	722	34,465
As at 31 December 2023	**51,001**	**124,893**	**18,674**	**33,656**	**48,582**	**276,806**
NET BOOK VALUE						
At 31 December 2023	14,256	28,169	15,867	19,817	839	78,978
At 31 December 2022	6,954	28,667	13,589	3,322	1,561	54,093

	2023	2022
19. INTANGIBLE ASSETS	RWF' 000	RWF' 000
COST		
As at 1 January	206,163	201,363
Additions	-	695
WIP	17,537	4,105
As at 31 December	223,700	206,163
AMORTISATION		
As at 1 January	166,336	132,893
Charge for the year	15,651	33,443
Balance at 31 December	181,987	166,336
Carrying amount	41,713	39,827

The work in progress relates to MTEK project (software for online underwriting the motor product) which is currently under the development stages

20. FINANCIAL ASSETS AT AMORTISED COST		
Treasury bond (at cost)	9,888,778	7,375,594
Accrued interest on government bond	309,423	238,890
Expected credit loss	(50,991)	(38,072)
	10,147,210	7,576,412
TREASURY BILLS AT AMORTISED COST		
Treasury Bill (at cost)	855,250	962,100
Accrued interest on treasury bill	52,783	53,178
Expected credit loss	(4,540)	(5,077)
	903,493	1,010,201

RECONCILIATION OF BALANCE		
(iii) Opening balance	8,337,695	7,444,466
Additions	2,406,334	893,229
	10,744,029	8,337,695
Accrued interest on government treasury bonds & treasury bills	362,205	292,067
	11,106,234	8,629,762
Expected credit loss	(55,531)	(43,149)
Closing balance	11,050,703	8,586,613
Breakdown of current and non-current		
Current	903,493	1,010,201
Non-current	10,147,210	7,576,412
	11,050,703	8,586,613
Financial assets at fair value through other comprehensive income		
Bralirwa Plc (343,000 shares)	58,996	58,310
BK Group Plc (225,400 shares)	88,382	81,192
	147,378	139,502
RECONCILIATION OF BALANCE		
Opening balance	139,502	118,118
Fair value gain	7,876	21,384
	147,378	139,502
Fair value through other comprehensive income reserve		
As at 1 January	66,540	51,571
Fair value gain	7,876	21,384
Deferred tax on fair value gain at 29.4% (2022:30%)	(2,196)	(6,415)
Net fair value gain	5,680	14,969
As at 31 December	72,220	66,540

The company owns shares in Bank of Kigali Plc and Bralirwa Plc and held for sale

These investments have been adjusted to fair value based on their market price quotes at Rwanda Stock Exchange as at 31 December 2023. The fair value adjustment is recognized within other comprehensive income as change in FVOCI

22. SUNDRY RECEIVABLES		
Staff loans and advances	168,760	6,019
Other assets	311,860	-
Prepayments and deposit	123,113	22,750
Advances to agents and brokers	4,663	9,163
Withholding tax receivable	16,473	15,465
Other receivables	5,998	2,779
Cash held as guarantee	37,277	34,977
Value added Tax recoverable	105,751	90,930
Value added Tax on premium receivables	204,972	198,274
	978,867	**380,357**

23. RELATED PARTY TRANSACTIONS

The Company is controlled by 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 regards to human resource services and IT services. 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:

DUE TO RELATED PARTIES	2023	2022
	RWF' 000	RWF' 000
MUA Kenya Insurance Limited	707	707
MUA Tanzania Insurance Limited	14,810	7,045
The Mauritius Union Assurance Cy Ltd	2,560	38,178
MUA Uganda Insurance Limited	26,770	612
	44,847	**46,542**

RECONCILIATION OF RELATED PARTIES BALANCE		
Opening balance	46,542	33,143
Movement	(1,695)	13,399
Closing balance	44,847	46,542

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:

	2023	2022
	RWF' 000	RWF' 000
i). Short-term employee benefits	689,325	568,914
Contributions to defined contribution plans	32,423	26,179
Total compensation of key management personnel	721,748	595,093
ii). Directors	41,965	43,348
Total compensation to Directors	41,965	43,348
TRANSACTIONS WITH RELATED PARTIES		
Expense recharges (MUA Tanzania Insurance Limited)	7,767	22,283
Expense recharges (The Mauritius Union Assurance Cy Ltd)	-	41,575
Expense recharges (MUA Uganda Insurance Limited)	13,165	613
	20,932	64,471

CASH AND CASH EQUIVALENTS		
	2023	2022
	RWF' 000	RWF' 000
Cash in hand	**813**	**8**
Cash at bank (24(a))	1,459,533	826,942
	1,460,346	**826,950**
(a) Bank balances at amortised cost		
Guarantee Trust Bank Plc	934,164	230,662
Bank of Kigali Plc	107,496	303,087
Ecobank Plc	33,488	61,839
KCB Bank Rwanda Plc	25,224	1,631
I&M Bank Rwanda Plc	25,652	22,121
Banque Populaire du Rwanda Plc (BPR)	26,750	8,172
Equity Bank Rwanda Plc	83,688	25,431
Cogebanque Plc	19,547	456
Access Bank Plc	21,636	82,715
Unguka Bank Plc	13,820	774
AB Bank plc	19,010	21,487
NCBA Bank Plc	95,136	57,100
Mobile money wallet	56,494	14,243
Muganga Savings and Credit Cooperative Organisation	2,388	-

	2023	2022
Bank of Africa Plc	2,306	-
Expected credit loss on cash at bank balances	(7,266)	(2,776)
	1,459,533	826,942

(b) Term deposits at amortised cost

SHORT TERM DEPOSIT AT AMORTISED COST		
Bank of Kigali Plc	900,000	-
Banque Populaire Du Rwanda Plc	900,000	-
Equity Bank Rwanda Plc	1,258,359	-
I&M Bank Rwanda Plc	600,000	700,000
NCBA Bank Plc	500,000	500,000
AB Bank Plc	500,000	500,000
Cogebanque Plc	-	400,000
Accrued interest	296,158	50,860
	4,954,517	2,150,860
Expected credit loss	(24,772)	(10,754)
Net short-term deposit	4,929,745	2,140,106

The short-term deposits are deposits with local banks, and they shall all mature in year 2024. Accrued interest includes accrued interest on short-term deposit. Interest on Bank of Kigali Plc deposit is received semi-annually.

	2023	2022
LONG TERM DEPOSIT AT AMORTISED COSt		
Bank of Kigali Plc	500,000	-
Expected credit loss	(2,500)	-
Net long-term deposit	497,500	-
RECONCILIATION OF BALANCE		
Opening balance	2,140,106	3,943,100
(Expired)	(2,140,106)	(2,351,558)
Additions	4,658,359	500,000
Accrued interest	296,158	50,860
Expected credit loss	(24,772)	(2,296)
Total term deposit (i&ii)	**4,929,745**	**2,140,106**

	2023		2022	
TERM DEPOSIT	Amount **RWF’** 000	Maturity date	Amount **RWF’** 000	Maturity date
Bank of Kigali Plc	500,000	19-Jan-24	400,000	1-Jun-23
Equity Bank Plc	500,000	06-Jan-24	500,000	18-Aug-2023
BPR Bank Plc	500,000	28-Feb-24	200,000	8-Sep-2023
Bank of Kigali Plc	500,000	29-Mar-24	500,000	29-Dec-2023

	2023		2022	
I&M Bank Plc	400,000	27-Mar-24	300,000	11-May-2023
BPR Bank Plc	400,000	08-Mar-24	200,000	31-Aug-2023
AB Bank Plc	300,000	12-May-24	-	-
Bank of Kigali Plc	400,000	02-Jun-28	-	-
AB Bank Plc	200,000	01-Sep-24	-	-
I&M Bank Plc	200,000	10-Sep-24	-	-
Equity Bank Plc	758,359	26-Jun-24	-	-
NCBA Bank Plc	500,000	29-Dec-24	-	-
	5,158,359		**2,100,000**	

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

	2023	2022
	RWF' 000	RWF' 000
Cash in hand	813	8
Cash at bank (26(a))	1,459,533	826,942
Cash and cash equivalent	1,460,346	826,950
ECL on demand deposit balances	7,266	2,776
	1,467,612	**829,726**

25. SHAREHOLDERS' FUNDS

(a) Paid up capital		
Authorized, issued, and fully paid up (3,000,000 Ordinary shares at Rwf 1,000 each (At 1 January)	3,000,000	1,000,000
Recapitalization of retained earnings (2,000,000 Ordinary shares of Rwf 1,000 each)	-	2,000,000
At 31 December (3,000,000 shares at Rwf 1,000 each) 3,000,000		3,000,000
(b) Retained earnings		
As at 1 January	3,557,710	4,199,498
Impact of initial application of IFRS 17 (net of tax)	-	133,851
Restated balance as at 1 January 2022	3,557,710	4,333,449
Recapitalization of retained earnings		(2,000,000)
Net profit for the year	2,462,815	1,224,361
	6,205,525	**3,557,710**

(c) Retained earnings

	1ST JANUARY 2022
Gross impact	191,216
Deferred tax (30%)	(57,365)
Net impact	**133,851**

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.

26. SUNDRY PAYABLES

	2023	2022
	RWF' 000	RWF' 000
Cash held guarantee	1,104,852	1,440,732
Salaries and wages payable	44,301	33,722
Fund guarantee	9,496	961
Payable to surveyors	9,468	14,923
Due to lawyers and agencies	2,983	2,983
Accruals (note 26(a))	439,073	284,655
Other Payables	-	298,897
Withholding tax payable	50,506	4,270
Advance received from clients	154,135	131,795
Payables to garages and clients	77,748	164,933
	1,892,562	2,377,871
26 (A) ACCRUALS		
Staff leave	45,871	4,713
External audit & tax audit fees	22,799	26,807
Electricity	2,210	2,576
Internet charge MTN	1,304	1,099
Provision for staff bonus	164,221	114,683
Act server Actuarial consultants	6,711	7,187
IFRS 17 Project	122,595	101,862
Parking fees/ KAPS	27,375	360

	2023	2022
Branded promotional material	45,301	25,045
ESICIA LTD	440	186
Ubumwe grand hotel	246	137
	439,073	**284,655**
SUNDRY PAYABLES		
Breakdown of current and non-current		
Current	1,892,560	2,377,871
Non-current	-	-
	1,892,560	**2,377,871**

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.

27. 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 Rwf 1,105 million (2022: 1,441 million and counter guarantees or other form of securities. These guarantees (Bonds) are in form of performance bond, advance payment, and customs bonds.

28. 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. (2022:None)

29. LEASES

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

	2023	2022
RIGHT-OF-USE ASSETS	RWF' 000	RWF' 000
Balance as at 01 January	206,471	246,871
Depreciation for the period	(48,581)	(48,581)
Impact on lease modification	-	8,181
Balance as at 31 December	**157,890**	**206,471**
The lease modification was a result of the change in lease payments		
LEASE LIABILITIES		
Balance as at 01 January	**270,709**	**302,978**
Interest on lease liabilities	37,895	44,783
Principal payment	(46,213)	(36,472)
Interest payment	(37,895)	(44,783)
Impact on lease modification	-	4,203
Balance as at 31 December	**224,496**	**270,709**
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:

	2023	2022
	RWF' 000	RWF' 000
Depreciation charge of right-of-use assets	48,581	48,581
Interest expense	37,895	44,783
RECONCILIATION OF CASHFLOWS		
Lease liability as at 1 Jan 2023	270,709	302978
Interest on lease	37,895	44,783
Interest payment	(37,895)	(44,783)
Principal payment	(46,213)	(36,472)
Effects on lease modification	-	4,203
Lease liability as of 31 Dec 2023	224,496	270,709

30. CAPITAL COMMITMENT.

As at 31 December 2023, the Company had no capital commitment (2022 – the Company had no capital commitment).

APPENDIX I

GENERAL BUSINESS -DETAILED REVENUE ACCOUNT FOR THE YEAR END 31 DECEMBER 2022

	FIRE	ENGINEERING	MOTOR
Insurance Revenue			
Expected premium receipts allocation under the PAA	2,863,507	2,039,534	5,489,279
TOTAL INSURANCE REVENUE	2,863,507	2,039,534	5,489,279
Insurance Service Expenses	-	-	-
Incurred insurance service expenses:	(486,680)	(775,620)	(3,541,849)
Claims	(416,305)	(577,214)	(3,174,789)
Expenses	(70,375)	(198,405)	(367,060)
Amortisation of insurance acquisition cash flows	(279,929)	(404,452)	(1,059,925)
Changes that relate to past service:	86,243	(62,972)	364,005
Changes in estimates in LIC fulfilment cash flows	(4,312)	(232,528)	(650,723)
Experience adjustments in claims and other insurance service expenses in LIC	90,554	169,556	1,014,728
TOTAL INSURANCE SERVICE EXPENSES	(680,366)	(1,243,044)	(4,237,769)
Net Expenses from Reinsurance Contracts	-	-	-
Allocation of the premiums paid	(1,619,761)	(1,140,634)	(205,951)
Amounts recovered from reinsurance:	212,164	500,715	71,214
Incurred insurance service expenses:	273,719	426,455	279,287
Claims	283,063	451,874	324,316

	MISC	MARINE	LIABILITY	FINANCIAL RISKS	TRAVEL	BOND	TOTAL
	761,369	274,145	562,784	308,625	51,947	333,565	12,684,756
	761,369	**274,145**	**562,784**	**308,625**	**51,947**	**333,565**	**12,684,756**
	-	-	-	-	-	-	-
	(216,132)	(85,998)	(179,708)	(80,071)	(9,519)	(47,015)	(5,422,592)
	(110,118)	(54,999)	(146,222)	(38,308)	(338)	(20,680)	(4,538,973)
	(106,015)	(31,000)	(33,486)	(41,763)	(9,180)	(26,335)	(883,619)
	(214,214)	(43,796)	(90,897)	(90,588)	(22,032)	(74,551)	(2,280,385)
	9,565	26,903	8,375	12,023	2,580	13,082	459,803
	(58,939)	(4,392)	(25,900)	(19,563)	1,186	(6,908)	(1,002,079)
	68,504	31,295	34,275	31,586	1,394	19,990	1,461,882
	(420,781)	**(102,892)**	**(262,231)**	**(158,636)**	**(28,970)**	**(108,484)**	**(7,243,173)**
	-	-	-	-	-	-	-
	(242,559)	(79,005)	(182,190)	(143,329)	(22,326)	(200,530)	(3,836,285)
	4,003	23,890	20,073	4,116	(1,974)	292,407	1,126,609
	11,997	32,231	23,148	(1,502)	(1,273)	34,239	1,078,302
	25,370	35,823	27,486	4,240	136	37,931	1,190,239

CONTINUED	FIRE	ENGINEERING	MOTOR
Expenses	(9,345)	(25,420)	(45,028)
Changes that relate to past service (changes in fulfilment cash flows re LIC):	(61,554)	74,260	(208,074)
Changes in estimates in LIC fulfilment cash flows	(2,705)	160,848	(2,572)
Experience adjustments in claims and other insurance service expenses in LIC	(58,849)	(86,587)	(205,502)
Total Net Expenses from Reinsurance Contracts	(1,407,597)	(639,919)	(134,738)
INSURANCE SERVICE RESULT	775,545	156,571	1,116,772
Insurance Finance Income or Expense from Insurance Contracts	-	-	-
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	(34,347)	(55,701)	(240,606)
Interest accreted on present value cash flows	(31,786)	(53,551)	(232,019)
Interest accreted on risk adjustment	(2,561)	(2,150)	(8,587)
The effect of financial risk and changes in financial risk	16,988	18,142	73,098
TOTAL INSURANCE FINANCE INCOME OR EXPENSE FROM INSURANCE CONTRACTS	(17,359)	(37,559)	(167,508)
Insurance Finance Income or Expense from Reinsurance Contracts	-	-	-
The effect of time value of money and changes in the time value of money, based on the locked-in interest rates:	22,221	40,162	13,934
Interest accreted on present value cash flows	20,421	38,795	13,149
Interest accreted on risk adjustment	1,800	1,367	785
The effect of financial risk and changes in financial risk	(6,263)	(12,114)	1,909
Total Insurance Finance Income or Expense from Reinsurance Contracts	15,958	28,048	15,843
NET FINANCIAL RESULT (EXCLUDING INVESTMENT RETURN)	(1,401)	(9,512)	(151,665)
Net underwriting results	774,144	147,059	965,107

	MISC	MARINE	LIABILITY	FINANCIAL RISKS	TRAVEL	BOND	TOTAL
	(13,373)	(3,592)	(4,337)	(5,742)	(1,409)	(3,692)	(111,937)
	(7,994)	(8,341)	(3,076)	5,618	(701)	258,168	48,307
	(2,530)	17,198	(522)	(24,326)	(93)	(1,735,098)	(1,589,800)
	(5,464)	(25,540)	(2,554)	29,945	(608)	1,993,266	1,638,107
	(238,556)	(55,115)	(162,118)	(139,213)	(24,300)	91,877	(2,709,676)
	102,032	**116,139**	**138,436**	**10,777**	**(1,323)**	**316,958**	**2,731,906**
	-	-	-	-	-	-	-
	(16,348)	(7,344)	(20,177)	(8,506)	(519)	(3,776)	(387,323)
	(15,449)	(7,067)	(19,711)	(8,266)	(491)	(3,319)	(371,659)
	(898)	(276)	(465)	(240)	(28)	(457)	(15,664)
	3,153	1,363	4,327	1,043	1	299	118,414
	(13,195)	**(5,981)**	**(15,849)**	**(7,462)**	**(518)**	**(3,476)**	**(268,909)**
	-	-	-	-	-	-	-
	1,875	3,509	1,702	10,867	282	200,797	295,349
	1,625	3,409	1,568	10,799	275	200,431	290,472
	250	100	134	68	7	366	4,878
	(493)	(943)	(985)	(143)	3	(596)	(19,626)
	1,382	2,566	717	10,725	284	200,201	275,723
	(11,813)	**(3,415)**	**(15,133)**	**3,262**	**(234)**	**196,725**	**6,814**
	90,219	112,724	123,303	14,039	(1,557)	513,683	2,738,720

APPENDIX II

LIQUIDITY RATIO

	2023	2022		2023	2022
CURRENT ASSETS	RWF' 000	RWF' 000	Current liabilities	RWF' 000	RWF' 000
Reinsurance assets	2,245,267	4,195,205	Insurance contracts liabilities	10,153,766	7,158,469
Sundry receivables	978,867	380,356	Sundry payables	1,892,560	2,377,870
Held to maturity financial assets	11,050,703	8,586,613	Due to related parties	44,847	46,542
Short term deposit	4,929,745	2,140,106	Income tax payable	238,396	307,642
Cash and cash equivalents	1,460,346	826,950	Lease liability	46213	46,213
	20,664,927	16,129,230		12,375,783	9,936,736
LIQUIDITY RATIO	149%	120%			

TESTIMONIALS

FROM THE CUSTOMERS

MUA Insurance has given me peace of mind, knowing that I am covered by a reliable insurer.

I can confidently say that their service is unparalleled. I am allowed to pay in installments, I can pay any time of the day and their agent system has saved us a lot oftime.

DESIRE MUSANGWA

MOTOR INSURANCE CLIENT

I am grateful for their commitment to their customers' well-being and the support from MUA Insurance was incredible.

The user-friendly app and online services have simplified everything for me. Their innovative approach and focus on customer satisfaction set them apart from other insurers.

DIDIER CYIZA

KIGALI RESIDENT

MUA

AVENUE DE LA PAIX 8TH FLOOR
GRAND PENSION PLAZA
P.O. BOX 82, KIGALI, RWANDA

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