



Annual financial statement for the period ended as 31 December 2021

BK General Insurance Company (BKGI) was incorporated as a Limited Liability Company on 16th September 2015 by Rwanda Development Board and was licensed by the National Bank of Rwanda to transact general insurance business on 22nd March 2016.

The rationale behind the establishment of the company was to emphasize BK Group Plc commitment of financially transforming the lives of Rwandans through the provision of innovative insurance services. Investment in insurance business was also viewed by the Bank of Kigali as a strategy to achieve bank portfolio diversification.

To the estimated stakeholder, we are pleased to publish BK General Insurance Ltd Audited Annual Financial Statements for the period ended 31 December 2021. The same information is available on the following address:

BK General Insurance website:
<https://www.bkinsurance.rw/reports>

Physical is also available from our head office located:

Old I&M Bank Rwanda Building
 KN 3 Avenue Kigali Rwanda
 Across Kigali City Hall

Audited Statement of Comprehensive Income for the period ended 31 December 2021		
	Dec-21 Frw'000	Dec-20 Frw'000
Gross written premium	12,134,415	9,153,316
Change in unearned premium	(817,835)	(722,329)
Gross earned premiums	11,316,580	8,430,987
Less: insurance premium ceded to reinsurers	(2,694,984)	(1,647,235)
Net insurance premium revenue	8,621,596	6,783,752
Add Commissions earned	567,256	262,563
Less Underwriting expenses	(853,233)	(512,051)
Net underwriting income	8,335,619	6,534,264
Net claims incurred	(3,359,442)	(2,982,621)
Management expenses	(2,142,858)	(1,850,173)
Expected credit loss on financial assets	(9,514)	(47,577)
Provision for doubtful debtors	(209,538)	(109,279)
Underwriting profit	2,614,267	1,544,614
Interest income calculated using effective interest rate	1,244,482	912,163
Revenue from contracts with customers	81,943	76,016
Profit before income tax	3,940,692	2,532,793
Provision for Income tax	(1,200,236)	(797,413)
Profit for the period	2,740,456	1,735,380
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	2,740,456	1,735,380

Audited Statement of Change in Equity For the period ended 31 December 2021			
Year ended 31 December 2021	Share capital	Retained earnings	Total
	Frw '000	Frw '000	Frw'000
At start of year	2,857,143	4,184,482	7,041,625
Additional capital	142,857	-	142,857
Total capital	3,000,000	4,184,482	7,184,482
Comprehensive income:			
Profit for the period	-	2,740,456	2,740,456
Other comprehensive income	-	-	-
Total comprehensive income	-	2,740,456	2,740,456
At end of period	3,000,000	6,924,938	9,924,938
Year ended 31 December 2020	Share capital	Retained earnings	Total
	Frw '000	Frw '000	Frw'000
At start of year	2,857,143	2,449,099	5,306,242
Comprehensive income:			
Profit for the year	-	1,735,383	1,735,383
Other comprehensive income	-	-	-
Total comprehensive income	-	1,735,383	1,735,383
At end of period	2,857,143	4,184,482	7,041,625

The financial statements and other disclosures are available on our website at <https://www.bkinsurance.rw/reports>



Annual financial statement for the period ended as 31 December 2021

Audited Statement of Financial Position As at 31 December 2021		
	Dec-21 Frw'000	Dec-20 Frw'000
Assets		
Non-current assets		
Equipment and motor vehicles	226,480	135,572
Intangible assets	173,003	159,705
Right-of-use assets	688,018	172,512
Deferred Tax	100,415	-
Investment in securities	983,500	983,500
Total non-current assets	2,171,415	1,451,289
Current assets		
Receivables arising out of direct insurance arrangements	4,210,691	912,639
Reinsurers share of insurance liabilities	1,941,861	1,631,528
Receivable arising from coinsurance & Subrogation arrangement	365,119	254,523
Deferred acquisition costs	377,125	275,599
Other receivables	299,400	351,223
Deposits with financial institutions	3,769,085	4,476,240
Investment in securities	6,571,320	4,996,654
Cash and bank balances	1,967,245	1,079,424
Total current assets	19,501,846	13,977,831
Total assets	21,673,262	15,429,120
Liabilities		
Insurance contract liabilities	8,209,465	6,637,396
Creditors arising from reinsurance arrangements	1,235,768	165,544
Income tax payable	360,654	172,479
Lease liabilities	691,462	199,900
Other payables	1,250,975	1,212,176
Total liabilities	11,748,324	8,387,495
Equity		
Share capital	3,000,000	2,857,143
Retained earnings	6,924,938	4,184,482
Total Equity	9,924,938	7,041,625
Total equity and liabilities	21,673,262	15,429,120

Audited Statement of Financial Position As at 31 December 2021		
	Dec-21 Frw'000	Dec-20 Frw'000
Profit before Income tax	3,940,692	2,532,793
Adjust for:		
Depreciation of Tangible assets	86,325	46,657
Amortization of intangible assets	12,853	11,783
Depreciation on ROA	34,489	34,515
Impairments provisions on premium debtor	39,658	27,054
Write off of premium debtors	77,863	-
Impairments provisions other receivable	92,017	82,225
Expected credit loss on financial assets	9,514	47,577
Financial interest expense on lease liability	33,819	39,663
Gain on derecognition of Lease	(31,337)	-
Interest income earned	(1,227,207)	(894,295)
	3,068,686	1,927,972
Changes in working capital:		
Increase/decrease in deferred acquisition cost	(101,526)	(117,878)
Increase / decrease in other receivables	(40,196)	19,445
Increase/decrease in reinsurance assets	(310,332)	(224,150)
Increase/decrease in subrogation receivables	(110,596)	(203,041)
Increase/ decrease in insurance receivable	(3,415,572)	(567,379)
Increase / decrease in insurance contract liabilities	1,572,069	1,484,553
Increase / decrease in reinsurance payable	1,070,224	(745,151)
Increase / decrease in other payables	20,727	1,029,731
Tax paid in the year	(1,112,476)	(729,033)
Cash flows generated from operations	641,008	1,875,069
Cash flows from investing activities		
Purchases of property and equipment	(177,231)	(160,313)
Purchases of intangible assets	(26,151)	(25,562)
Term deposits with financial institutions	700,000	(46,820)
Interests received from deposits	418,167	162,343
Investment in securities	(1,508,978)	(2,672,046)
Interests received on investments	746,634	261,505
Net cash generated from investing activities	152,441	(2,480,893)
Cash flows from financing activities		
Issue of new shares	142,857	-
Repayment of principal lease liabilities	(42,846)	(62,324)
Net cash flows from financing activities	100,011	(62,324)
Net (decrease)/increase in cash and cash equivalents	893,460	(668,148)
Expected credit loss on financial assets	(5,641)	(3,082)
Cash and cash equivalents at year start	1,079,425	1,750,656
Cash and cash equivalents at period end	1,967,245	1,079,425

S. Nondilly
Board Audit Committee Chairperson

Shanaa
Director

[Signature]
Managing Director

Date: 29 Nov 2022

Disclosures for the period ended as 31 December 2021

Item	Formula/ description	Amount/ Ratio		Required
		Current period	Previousperiod	
A. Solvency coverage				
a. Solvency required	Solvency margin Required:20% of previous year net premium or Rwf 1 000 million whichever is greater	1,501,216	1,150,831	
b. Admitted assets		15,178,602	12,169,332	
c. Admitted liabilities		12,223,536	9,050,239	
d. Solvency available		2,955,067	3,119,093	
e. Solvency surplus (gap)		1,453,851	1,968,262	
f. Solvency coverage ratio		196.8%	271.0%	
B. Capital Strength				
a. TAC (Total Available Capital)		8,975,642	5,156,918	
b. RCR (Risk Based Capital Required)		7,410,048	3,641,092	
c. CAR (Capital Adequacy ratio)		121.1%	141.6%	
C. Earnings risk				
a. Claims/Loss Ratio	Net Claims Incurred/ Net Earned Premiums	39%	44%	
b. Management Expenses Ratio	Management expenses/ Net Earned Premiums	26%	28%	
c. Underwriting expenses ratio	Commission expenses/ net earned Premiums	10%	8%	
d. Combined Ratio (For General Insurance Only)	Claims ratio+ Management expenses ratio+ Underwriting expenses ratio/ Net Earned Premium	74%	79%	
D. INVESTMENT EXPOSURE				
a. Investment Exposure (s)	Any investment above ten percent of total assets (name and amount)	None	None	
b. Earning assets ratio	Earning Assets/ total assets	61%	75%	
c. Investment property ratio	Investment property/ total assets	0%	0%	
d. Equities assets ratio	Investment Equities/ total assets	0%	0%	
E. Liquidity Risk				
a. Liquidity Ratio (LCR)	Liquid assets/ current liabilities	153%	143%	100%
b. Liquidity stress test ratio				
F. Exposures to related parties				
a. Loans to Directors and senior management		0%	0%	
b. Loans to employees/ staff		0%	0%	
c. Loans to subsidiaries and affiliates		0%	0%	
d. Loans to shareholders/ holding company		0%	0%	
e. Investments in related parties		0%	0%	
G. Operational Risk				
a. Number and types of frauds and their corresponding amount		0	0	
H. Business composition				
Number of policyholders per branch	DP WORLD BRANCH	1,848	-	
	GIKONDO AGENCY	44	54	
	HEAD OFFICE - KIGALI	7,674	7,207	
	HUYE AGENCY	23	30	
	KICUKIRO AGENCY	762	686	
	KIMIRONKO AGENCY	-	7	
	MUHANGA AGENCY	245	97	
	MUHIMA AGENCY	181	58	
	NYABUGOGO AGENCY	10	48	
	NYAGATARE TOWN	622	245	
	REMER AGENCY	1,984	1,109	
	MUSANZE AGENCY	-	55	
	RUBAVU AGENCY	348	430	
	RUSIZI AGENCY 2	54	25	
	RWAMAGANA AGENCY	10	49	
Number of policies in force per branch	DP WORLD BRANCH	1,600	-	
	GIKONDO AGENCY 1	19	33	
	HEAD OFFICE - KIGALI	5,283	5,491	
	HUYE AGENCY	17	20	
	KICUKIRO AGENCY	361	412	
	KIMIRONKO AGENCY	-	4	
	MUHANGA AGENCY	188	59	
	MUHIMA AGENCY	117	33	
	MUSANZE AGENCY	-	17	
	NYABUGOGO AGENCY	-	25	
	NYAGATARE TOWN	392	139	
	REMER AGENCY	1,616	727	
	REMER AGENCY	98	110	
	RUBAVU AGENCY	175	240	
	RUSIZI AGENCY 2	34	17	
	RWAMAGANA AGENCY	8	37	
I. Management and Board Composition				
a. Number of Board members (Independent and non-independent)		7	7	
b. Number of Board committees		4	4	
c. Number of senior management staff by gender		3 M & 1 F EXCO	3 M & 1 F EXCO	
J. Staff				
a. Total Number of non-managerial Staff by gender		12 M & 10 F	8 M & 12 F	
K. Insurance Intermediaries				
a. Number of insurance agents		14	14	
b. Number of loss adjusters/ assessors		1	1	
L. Branches				
a. Number of Branches by Province including Kigali City		2	2	
M. Reinsurance				
Retention ratio	Gross written premium-Ceded premium/GWP	78%	82%	80%-70%
Cession ratio	Ceded premium/Gross written premium	22%	18%	20%-30%

Disclosures for the period ended as 31 December 2021

Revenue account									
31-Dec-21	Motor	Fire	Guarantee	Engineering	Liability	Miscellaneous	Accident & Health	Transport	Total
	FRw'000	FRw'000	FRw'000	FRw'000	FRw'000	FRw'000	FRw'000	FRw'000	FRw'000
Gross written premium	9,068,527	1,158,417	350,816	796,100	132,384	517,385	60,670	50,116	12,134,415
Unearned premium reserve b/f	3,306,629	263,681	93,189	229,807	50,129	14,538	18,040	7,816	3,983,827
Unearned premium reserve c/f	(3,965,518)	(454,034)	(114,416)	(265,066)	(58,602)	(172,356)	(30,305)	(12,485)	(5,072,782)
Reinsurance portfolio premium reserves b/f	(359,716)	(134,958)	(27,288)	(200,514)	(32,840)	(8,865)	(11,001)	(4,765)	(779,946)
Reinsurance portfolio premium reserve c/f	397,537	201,342	71,999	166,799	26,996	155,120	19,703	11,570	1,051,066
Gross earned premiums	8,447,459	1,034,449	374,299	727,125	118,066	505,822	57,108	52,253	11,316,580
Premiums ceded to treaties & facultative reinsures	(706,122)	(435,281)	(290,890)	(493,916)	(58,095)	(174,261)	(44,161)	(44,074)	(2,246,801)
Premiums ceded to co-insurance	(200,000)	(60,529)	-	(10,049)	(2,884)	(172,351)	-	(2,370)	(448,183)
Premium ceded to reinsurance	(906,122)	(495,810)	(290,890)	(503,965)	(60,979)	(346,613)	(44,161)	(46,444)	(2,694,984)
Net insurance premium revenue	7,541,337	538,638	83,409	223,160	57,087	159,209	12,947	5,809	8,621,596
Commissions Earned	-	163,769	146,901	150,651	18,223	46,206	24,907	16,598	567,256
Underwriting Expenses (Commissions Paid)	(603,056)	(125,949)	(5,384)	(58,415)	(11,492)	(43,869)	(2,941)	(2,127)	(853,233)
Net underwriting income	6,938,281	576,458	224,926	315,396	63,818	161,546	34,913	20,280	8,335,619
Gross claims paid & benefits	3,936,568	265,502	363	70,168	36,082	7,201	492	393	4,316,768
Outstanding claims reserve b/f	(1,881,862)	(201,702)	-	(129,417)	-	-	(28,422)	-	(2,241,404)
Outstanding claims reserve c/f	2,384,386	644	6,291	98,049	10,277	50,195	35,541	-	2,585,384
Incurred but not report (IBNR) b/f	(310,786)	(44,344)	(14,242)	(20,023)	(9,597)	-	(7,060)	(2,552)	(408,603)
Incurred but rot report (IBNR) c/f	371,437	65,433	22,061	54,950	8,101	22,065	4,031	3,221	551,299
Reserve for unexpired risk b/f	-	-	-	-	-	-	(3,562)	-	(3,562)
Reserve for unexpired risk c/f	-	-	-	-	-	-	-	-	-
Subrogation Recoveries	(564,900)	-	-	-	-	-	-	-	(564,900)
Net claims payable	3,934,843	85,532	14,472	73,727	44,863	79,461	1,020	1,063	4,234,982
Claims recoveries from treaties & facultative reinsurance	(836,328)	-	-	-	-	-	-	-	(836,328)
Reinsurance portfolio claims reserve b/f	491,130	176,500	-	74,961	-	-	-	-	742,591
Reinsurance portfolio claims reserve c/f	(594,195)	(240)	(1,289)	(65,680)	(1,858)	(45,176)	(2,679)	-	(711,118)
Incurred but not report (IBNR) b/f	66,508	17,968	8,202	14,144	-	-	-	2,169	108,992
Incurred but rot report (IBNR) c/f	(92,563)	(23,776)	(4,796)	(36,791)	(1,465)	(19,858)	(304)	(123)	(179,677)
Amount recoverable from reinsurers	(965,449)	170,452	2,116	(13,366)	(3,323)	(65,034)	(2,982)	2,046	(875,540)
Net Claims Incurred	2,969,394	255,985	16,589	60,361	41,540	14,427	(1,962)	3,109	3,359,442
Management Expenses	(1,883,807)	(152,111)	(98,886)	(121,051)	(10,574)	(69,829)	(17,503)	(8,150)	(2,361,911)
Underwriting profit	2,085,080	168,363	109,451	133,984	11,704	77,290	19,373	9,021	2,614,267
Investment Income	992,571	80,147	52,103	63,781	5,571	36,792	9,222	4,294	1,244,482
Other Income	65,356	5,277	3,431	4,200	367	2,423	607	283	81,943
Total Income for the Period	3,143,007	253,787	164,985	201,965	17,642	116,505	29,202	13,598	3,940,692
Income Tax Expense	(957,281)	(77,297)	(50,250)	(61,514)	(5,373)	(35,485)	(8,894)	(4,142)	(1,200,236)
Profit for the Year	2,185,727	176,490	114,735	140,452	12,269	81,021	20,308	9,457	2,740,456