BK GENERAL INSURANCE COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

Table of contents

BK General Insurance Company Ltd, a subsidiary of Bank of Kigali Group PLC, 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 non-life insurance business on 22 March 2016.

Our Vision

To be a leading provider of innovative, high quality insurance services

Our Mission

To provide innovative, high quality insurance services that add value to shareholders' investments through technology enhanced products and motivated professional staff

Our Goals

To exceed customer expectations and we have put in place strategies to become a customer centric company

Registered office

BK General Insurance Company Ltd

TIN: 103752228

P.O. Box 724 Kigali, Rwanda

E: bkinsurance@bk.rw

W: www.bkgi.rw

Bankers

Bank of Kigali Plc Kigali, Rwanda	Equity Bank Rwanda Plc Kigali, Rwanda	KCB Bank Rwanda Plc Kigali, Rwanda
Cogebanque Plc Kigali, Rwanda	Banque Populaire du Rwanda Plc Kigali, Rwanda	I&M Bank Rwanda Plc Kigali, Rwanda
Zigama CSS Kigali, Rwanda	CBA Rwanda Plc Kigali, Rwanda	Bank of Africa Rwanda Plc Kigali, Rwanda

The directors have the pleasure of submitting their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of BK General Insurance Company Limited (the "Company").

PRINCIPAL ACTIVITY

The Company underwrites classes of non-life (short term) insurance risks as defined by Law No. 52/2008 governing the organisation of insurance business in Rwanda.

RESULTS

The results for the year are set out on page 10.

DIVIDEND

The directors recommend payment of dividend for the year ended 31 December 2023 Amounting to Rwf 790,266,040. (2022: Nil)

RESERVES

The reserves of the company are set out on page 13.

DIRECTORS

The Directors who served during the year and up to the date of this report are:

Name	Title	Appointment date	Status
Chantal Habiyakare	Chairperson	Appointed on 08 February 2023	Independent member
Jean Enoch Habiyambere	V/Chairman		Independent member
Noella M. Mupole	Member	Appointed on 08 February 2023	Non independent member
Yves Gatsimbanyi	Member		Non independent member
Shehzad Noordally	Member		Independent member
Patrice Bastide M.G.M	Member		Non independent member
Athanase Rutabingwa	Member	Appointed on 08 February 2023	Independent member

The members of board committees who served during the year and to the date of this report were:

Audit committee	Risk management committee	Underwriting&Claims Strategy committee	IAL&HR Committee
Shehzad Noordally, Chairman	Athanase Rutabingwa, Chairman	Jean Enock Habiyambere, Chairman	Athanase Rutabingwa, Chairman
Patrice Bastide M.G.M	Yves Gatsimbanyi	Patrice Bastide M.G.M	Nicholas Murimi
Nicholas Murimi	Jean Enock Habiyambere	Yves Gatsimbanyi	Shehzad Noordally

AUDITOR

Ernst & Young Rwanda Limited as the external auditors in accordance with Regulation No. 44/2022 of 02/06/2022 on accreditation requirements and other conditions for external auditors for financial institutions and expressed willingness to continue in office.

By Order of the Board

....
Sheila A. USANASE
Company secretary

Date: 02/APRIL 2024

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BK GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023 requires the directors to prepare financial statements for each accounting period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the Company's profit or loss. It also requires the directors to ensure that the Company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company.

The director accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The director further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, the Company's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of Law No. 007/2021 of 05/02/2021 governing companies.

Approval of annual financial statements

The financial statements on pages 10 to 97 were approved by the Board of directors and are signed on its behalf by:

Shehzad Noordally
Board Audit Committee Chairperson

Chantal Habiyakare
Chairperson of the Board

Alex N. Bahizi
Managing Director

Date: 02 APRIL 2024

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Date: 02/04/2024
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BK GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

BK General Insurance Company Limited is owned by BK Group PLC and SWAN General Limited with 70% and 30% stakes respectively.

BK General Insurance Company Limited ("BK GI") is committed to adhering to the highest standards of good corporate governance at all levels of its operations. This commitment is rooted in our core values and beliefs. We have put in place elaborate governance processes, which comply with best practice as set out in various codes on Corporate Governance.

Board of Directors & their meetings attendance

The Board consists of four independent non-executive directors. The Board is composed of directors with a good mix of skills, experience, and competencies in the relevant fields of expertise and is well placed to take the business forward. Appointments to the Board are made after careful consideration.

During the year, the Board convened and held four (4) ordinary meetings. All the meetings convened had sufficient quorum. A review of attendance to meetings by individual members during the period under review indicates that all the members gave sufficient time and attention to the affairs of the Board.

The Directors in office and their attendance to main Board are as follows:

Board Charter and Work Plan

Names	Position	Meetings eligible to attend	Meetings attended
Chantal Habiyakare	Chairperson	4	3
Jean Enoch Habiyambere	Vice chairman	4	4
Noella M. Mupole	Director	4	3
Yves Gatsimbanyi	Director	4	4
Athanase Rutabingwa	Director	4	3
Shehzad Noordally	Director	4	4
Patrice Bastide M.G.M	Director	4	4

The Board Charter contains provisions that ensure that the Board observes best practice in corporate governance and contains among other things; the size, role and functions of the Board; appointments, induction and tenure of directors and Board performance evaluation and remuneration of directors. The Work Plan has a formal schedule of matters specifically reserved for the Board's attention to ensure it exercises full control over all significant matters. It sets out the schedule of meetings of the Board and its committees and the main business to be dealt with at those meetings. Additional meetings are scheduled as and when the need arises.

Board Meetings

The Board of Directors meet quarterly or as required in order to monitor the implementation of the Company's planned strategy, review it in conjunction with its financial performance and approves issues of strategic nature. Specific reviews are also undertaken on operational issues and future planning.

Board Committees

The Board has created the following principal committees, which normally meet on quarterly basis under well-defined and materially delegated terms of reference set by the Board.

a. **Audit Committee**

The Audit Committee in principal meets quarterly or as required. In accordance with regulatory requirement, the committee comprise non- executive members of the Board who are independent of the day today management of the company's operations with only one Non-Independent Director. The committee deals with all matters relating to the financial statements and internal control systems of the Company including dealing with independent auditors and National Bank of Rwanda inspectors. Below is the table indicating the composition of Audit Committee:

Names	Position	Status
Shehzad Noordally	Chairman	Independent
Patrice Bastide M.G.M	Member	Non-Independent

b. **Risk Management Committee**

The committee was set up to assist the Board to mitigate risks in the Insurance business. It meets quarterly to advise the business on all matters pertaining to risk management in the market, operations and other risks. Below is the table indicating the composition of Risk Management Committee:

Names	Position	Status
Athanase Rutabingwa	Chairman	Independent
Yves Gatsimbanyi	Member	Non-Independent

c. **Investments, Assets, Liability and HR Committee**

The committee meets quarterly where applicable to review Company's investments, Assets and liabilities in addition to that, it reviews human resource policies and make suitable recommendations to the Board on senior management appointments and other related personnel. This committee advises the Board as well on remuneration related to employees. Below is the table indicating the composition of Investments, Assets, Liability and HR Committee:

Names	Position	Status
Athanase Rutabingwa	Chairman	Independent
Jean Enoch Habiyambere	Member	Independent

d. **Underwriting and Claims Strategy Committe**

This Committee was set to assist Board to understand the framework of the Insurance Business - Underwriting, Reinsurance and Claims. It reviews all reports related claims in line with corporate governance regulation and assess the adequacy of insurance reserves. It also advises the Board on the reinsurance treaties, related capacity and retention. Below is the table indicating the composition of Underwriting and Claims Strategy Committee:

Names	Position	Status
Jean Enoch Habiyambere	Chairman	Independent
Patrice Bastide M.G.M	Member	Non-Independent

Separation of Role of Chairman from Managing Director

The Chairman is responsible for managing the Board and providing leadership to the Company while the Managing Director is responsible to the Board for running the business in accordance with the delegation of powers given by the Board. The Managing Director directs the implementation of Board decisions and instructions and the general management of the business with the assistance of the Senior Management Team.

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Certified Public Accountants
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KN 4 Avenue
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REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
BK GENERAL INSURANCE COMPANY LIMITED
REPORT ON THE AUDITED FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of BK General Insurance Company Limited, which comprise the statement of financial position as at 31 December 2023, the statement of Comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended ,and notes to the financial statements ,including a summary of material accounting policies .

In our opinion, the financial statements present fairly, in all material respects, the financial position of BK General Insurance Company Limited as at 31 December 2023, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs), and the requirements of Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023.

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' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to the audit of the financial statements in Rwanda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled BK General Insurance Company Limited, Annual Report and Financial Statements for the year ended 31/12/2023 which include the Directors' Report, Statement of Directors' Responsibilities and Statement of Corporate governance as required by Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30 March 2023. The other information 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 an audit opinion or 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.

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Date: 02/04/2024
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REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF BK GENERAL INSURANCE COMPANY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

KEY AUDIT MATTER

Key audit matter	Audit procedures to address key audit matter
Determination of insurance contract liabilities Insurance contract liabilities included in note 7 of the financial statements are made up the liabilities for remaining coverage and liabilities for incurred claims. These were considered a matter of most significance to the current year audit for the following reasons: • The estimation of the provisions involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. • The valuation of these liabilities relies on the accuracy of claims data and the assumption that future claims development will follow a similar pattern to past claims development experience. • The magnitude of the insurance contract liabilities balance (RFW'000 10,944,629) in relation to total liabilities of (RFW 14,477,701). 2022: FRW 000' 7,813,869 in relation to total liabilities FRW 000' 10,651,143These insurance contract liabilities involve significant judgment over uncertain future outcomes, mainly the ultimate total settlement value of the insurance contract.	Our testing approach included amongst others, the following procedures with the assistance of our actuarial specialists: • Evaluating and testing the controls around the claim reserving and settlement process. • Evaluating managements' review process of the provisions. • Comparing, for a sample of claims, the amounts as recorded in the claims systems to source documents. • Reviewing the reconciliation between the claims data and that used to calculate the reserves. • Considering the methodology and assumptions used by the Appointed Actuary and management in the estimation of reserves and assessing the methodologies applied against general accepted actuarial approaches; and Back testing the robustness of the reserving process by performing an actual versus expected analysis on prior year's reserves to assess this for any surpluses or shortfalls.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

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REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)
TO THE MEMBERS OF BK GENERAL INSURANCE COMPANY LIMITED

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS (Continued)

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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 management.
- Conclude on the appropriateness of management's 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 those charged with governance 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.

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)
TO THE MEMBERS OF BK GENERAL INSURANCE COMPANY LIMITED

REPORT OF THE INDEPENDENT AUDITORS (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Law No. 007/2021 of 05/02/2021 governing Companies as amended by Law No. 019/2023 of 30/03/2023. We confirm that:

i. We have no relationship, interests, and debts in the company.

ii. 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.

iii. In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books.

iv. We have communicated to you through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regard to those matters.

Stephen K Sang
For and on behalf of Ernst & Young Rwanda Limited

Date: 2 APRIL 2024

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Date: 02/04/2024
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Ernst & Young Rwanda Ltd

BK GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31-Dec-23 Rwf'000	31-Dec-22 Rwf'000
Insurance Revenue	8	12,770,247	11,554,568
Insurance service expenses	9	(9,163,399)	(8,213,198)
Net expenses from reinsurance contracts held	10	(944,004)	(772,988)
Net Insurance service result		2,662,844	2,568,382
Interest and dividend income	11	1,969,660	1,575,473
Losses on financial assets	11	(27,331)	-
Net Investment Income		1,942,329	1,575,473
Finance expenses from insurance contract issued	12	(263,303)	(199,545)
Finance income from reinsurance contract held	13	73,113	55,968
Net insurance finance expenses		(190,190)	(143,576)
Net Insurance and investment result		4,414,983	4,000,278
Other Income	14	153,870	103,497
Profit before tax		4,568,853	4,103,775
Income Tax Expense	15	(1,407,789)	(1,205,981)
Profit After Tax		3,161,064	2,897,794
Other Comprehensive Income for the year		-	0
Total Comprehensive Income for the Year		3,161,064	2,897,794

The notes to the financial statements on pages 10 to 97 form an integral part of these financial statements.

** The 2022 income statement has been restated to reflect the adoption of the IFRS 17 standard**

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BK GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Dec-23 Rwf'000	Restated-31 Dec 2022 Rwf'000	Restated-1 January 2022 Rwf'000
Assets				
Non-current assets				
Equipment and motor vehicles	16	266,232	266,733	226,478
Intangible assets	17	235,064	210,144	173,003
Right-of-use assets	18.b	449,524	572,206	688,019
Deferred Tax asset	19	160,790	133,333	100,415
Total non-current assets		1,111,610	1,182,416	1,187,915
Current assets				
Insurance Contract Assets	20	5,111,545	3,092,783	4,590,193
Reinsurance contract Asset	21	2,515,513	2,203,173	1,901,533
Other receivables	22	105,810	438,845	299,399
Deposits with financial institutions	23	8,188,298	5,932,715	3,769,085
Investment in securities	24	12,448,004	10,402,992	7,554,820
Cash and bank balances	25	224,940	255,440	1,967,245
Total current assets		28,594,110	22,325,948	20,082,275
Total assets		29,705,720	23,508,364	21,270,190
Liabilities				
Insurance contract liabilities	7	10,944,629	7,813,869	7,757,523
Creditors arising from reinsurance arrangements	27	1,026,489	931,761	1,235,766
Income tax payable	26	52,089	211,177	360,654
Lease liabilities	18.a	527,660	614,634	709,530
Other payables	28	1,926,834	1,079,702	1,247,290
Total liabilities		14,477,701	10,651,143	11,310,763
Equity				
Share capital	29	3,000,000	3,000,000	3,000,000
Retained earnings		12,228,019	9,857,221	6,959,427
Total Equity		15,228,019	12,857,221	9,959,427
Total equity and liabilities		29,705,720	23,508,364	21,270,190

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

Director

Director

2 APRIL 2024

BK GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital	Retained earnings and others reserves	Total Equity
	Rwf'000	Rwf'000	Rwf'000
Balance at 31 December 2021	3,000,000	6,924,938	9,924,938
Adjustments of initial application of IFRS 17	-	34,489	34,489
Restated Balance as at 1 January 2022	3,000,000	6,959,427	9,959,427
Profit for the year (Restated)	-	2,897,794	2,897,794
Other Comprehensive income for the period	-	-	-
Restated Balance as at 31 December 2022	3,000,000	9,857,221	12,857,221
Profit for the period	-	3,161,064	3,166,349
Proposed dividend payable		(790,266)	
Other Comprehensive income for the period	-	-	-
Balance as at 31 December 2023	3,000,000	12,228,019	15,231,982

The notes to the financial statements on pages 15 to 75 form an integral part of these financial statements.

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Ernst & Young Rwanda Ltd

BK GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Dec-23 Rwf '000	Dec-22 Rwf'000
Profit before Income tax		4,568,854	4,103,775
Adjust for:			
Depreciation of Tangible assets	16	127,797	44,343
Amortization of intangible assets	17	26,181	39,508
Depreciation on ROA	18.b	112,381	115,811
Impairments provisions on premium debtor	20	118,755	6,168
Write off of premium debtors	22	188,950	-
Impairments provisions other receivable		-	14,800
Movement into expected credit loss on financial assets	11	27,331	9,118
Financial interest expense on lease liability	18.a	103,265	109,443
Interest income earned	11	(1,969,660)	(1,575,473)
		3,303,854	2,867,494
Changes in working capital:			
Increase / decrease in other receivables		333,034	(154,245)
Increase/decrease in reinsurance assets		(312,340)	(483,896)
Increase/ decrease in insurance contract assets		(2,152,977)	1,604,035
Increase /decrease in insurance contact liabilities		2,645,395	(65,784)
Increase / decrease in reinsurance payable		94,728	(304,005)
Increase / decrease in other payables		120,108	136,799
Tax paid in the year		(1,353,755)	(1,388,375)
Cash flows generated from operations		**2,747,700**	**2,099,230**
Cash flows from investing activities			
Purchases of property and equipment		(127,296)	(84,599)
Purchases of intangible assets		(51,100)	(76,650)
Term deposits with financial institutions		(2,255,583)	(2,000,000)
Interests received from Bank deposits		534,245	359,926
Investment in securities		(2,045,012)	(2,799,969)
Interests received on investments		1,352,545	994,596
Net cash generated from investing activities		**(2,592,201)**	**(3,606,696)**
Cash flows from financing activities			
Issue of new shares		-	-
Repayment of principal lease liabilities	18.a	(186,000)	(204,339)
Net cash flows from financing activities		**(186,000)**	**(204,339)**
Net (decrease)/increase in cash and cash equivalents		(30,500)	(1,711,805)
Cash and cash equivalents at year start		255,440	1,967,245
Cash and cash equivalents at period end		224,940	255,440

The notes to the financial statements on pages 15 to 75 form an integral part of these financial statement

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Ernst & Young Rwanda Ltd

1. General information

BK General Insurance Company Limited underwrites short-term insurance business (non-life) risks. The company is a limited liability company incorporated and domiciled in Rwanda. The registered office is:

BK General Insurance Company Limited
Ground Floor, I&M Old building
P.O. Box 724 Kigali, Rwanda

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS Standards) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the certain financial assets carried at fair value through other comprehensive income.

(b) New standards, amendments and interpretations

(i) ***New standards, amendments and interpretations effective and adopted during the year***

The Company has adopted the following new standards and amendments during the year ended 31 December 2023, including consequential amendments to other standards with the date of initial application by the Company being 1 January 2023. The nature and effects of the changes are as explained here in.

Standards	Effective date
• IFRS 17 Insurance Contracts (Amendments to IFRS 4)	1 January 2023
• Disclosure of accounting policies (Amendments to IAS 1 and IFRS practice Statement 2)	1 January 2023
• Deferred tax (Amendments to IAS 12)	1 January 2023
• Accounting estimates (Amendments to IAS 8)	1 January 2023

2. Accounting policies (continued)

(b) New standards, amendments and interpretations (continued)

(i) New standards, amendments and interpretations effective and adopted during the year (continued)

I) IFRS 17 Insurance Contracts

Changes to classification and measurement

The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:
- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the liability for remaining coverage 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 (Previously these may have formed part of the unexpired risk reserve provision)
- 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.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums 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 expenses its insurance acquisition cash flows for its portfolios immediately the expense is incurred, and an asset is created for the deferred portion. 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 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 liability for remaining coverage of the related group.

Accounting policies (continued)

(b) New standards, amendments and interpretations (continued)

(i) New standards, amendments and interpretations effective and adopted during the year (continued)

IFRS 17 Insurance Contracts (continued)

Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

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

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

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

- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transition

On transition date, 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 has always applied. 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.
- Recognised any resulting net difference in equity.

The adoption of these changes had significant impact on the amounts and the disclosures of the Company's financial statements.

2. Accounting policies (continued)

(b) New standards, amendments and interpretations (continued)

(i) New standards, amendments and interpretations effective and adopted during the year (continued)

Disclosure of accounting policies (Amendments to IAS 1 and IFRS practice Statement 2)

Amendments to IAS 1 requires presentation of Financial Statements of the companies to disclose their material accounting policy information rather than their significant accounting policies. "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements." This Practice Aid provides guidance on the disclosures of the accounting policies in the light of the narrow-scope amendments to IAS 1 and includes the following examples:

- Disclosure of accounting policies for cryptocurrency investments
- Disclosure of accounting policies about defined benefit obligation schemes.
- Disclosure of accounting policies for the cap-and-trade schemes
- Disclosure of accounting policies about leasing activities by a lessee
- Disclosure of accounting policies for fixed-fee service contracts and
- Disclosure of accounting policies on revenue recognition

The adoption of these changes did not have significant impact on the amounts presented in the Company's financial statements.

II) Deferred tax (Amendments to IAS 12)

The standard clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. Amendments on deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15 (b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to the transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The amendment requires companies, at the beginning of the earliest comparative period presented:

a) to recognise a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised -and a deferred tax liability for all deductible and taxable temporary differences associated with:
   - right-of-use assets and lease liabilities; and
   - decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset; and
b) to recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. This will reflect the opening position, without the need for full retrospective application. The Board concluded that this transition approach would make the amendments easier and less costly to apply than a full retrospective approach, while still achieving their objective.

The adoption of these changes did not have significant impact on the amounts presented in the Company's financial statements.

2. Accounting policies (continued)

(b) New standards, amendments and interpretations (continued)

(i) New standards, amendments and interpretations effective and adopted during the year (continued)

III) Accounting estimates (Amendments to IAS 8)

IAS 8 accounting policies, changes in accounting estimates and errors is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. This typically involve the use of judgements or assumptions based on the latest available reliable information. Developing an accounting estimate includes both:

- Selecting a measurement technique (estimation or valuation technique) e.g., an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
- Choosing the inputs to be used when applying the chosen measurement technique e.g., the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The adoption of these changes did not have significant impact on the amounts presented in the Company's financial statements.

(ii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2023

A number of 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.

The Company does not plan to adopt these standards early. All standards and interpretations will be adopted at their effective date. These are summarised below;

•	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
•	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
•	Lack of exchangeability - Amendments to IAS 21	1 January 2025
•	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

I) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Under the amendments to IAS 1 Presentation of Financial Statements, the classification of certain liabilities as current or non-current may change (e.g. convertible debt) and companies may need to provide new disclosures for liabilities subject to covenants.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.

The adoption of these changes will not affect the amounts and but will affect the disclosures of the Company's financial statements.

2. Accounting policies (continued)

(b) New standards, amendments and interpretations (continued)

(ii) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2023 (continued)

II) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

The adoption of these changes will not affect the amounts and the disclosures of the Company's financial statements.

III) Lack of exchangeability - Amendments to IAS 21

The amendment requires disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. They apply to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier.
The adoption of these changes will not affect the amounts and the disclosures of the Company's financial statements.

IV) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

With the amendments, new disclosures are required in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements. Entities will have to disclose the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1st January 2024, with early application permitted.
The adoption of these changes will not affect the amounts and the disclosures of the Company's financial statements.

2. Accounting policies (continued)

b). Insurance and reinsurance contracts classification

(i) Classification

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

Insurance contracts issued by the Company are classified as general insurance business based on the duration of the risk insured. Classes of general insurance include Aviation insurance, Engineering insurance, Fire insurance - domestic risks, Fire insurance - industrial and commercial risks, Liability insurance, Marine Insurance, Motor insurance - private vehicles, Motor insurance - commercial vehicles, Personal accident insurance, Theft insurance, Workmen's Compensation and Employer's Liability insurance and Miscellaneous insurance (i.e. class of business not included under those listed above).

Commercial insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor commercial vehicles, fire industrial, theft, workmen's compensation and liability inclusive of third party risks but exclusive of transit risks.

Personal accident insurance business means the business of affecting and carrying out contracts of insurance against risks related to motor private, fire domestic, risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class.

Engineering insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property relating to contractors all risks and construction related risks.

Marine-Aviation insurance business means the business of affecting and carrying out contracts of insurance, against loss of or damage related to aviation or marine related transport.

Miscellaneous insurance business means the business of affecting and carrying out contracts of insurance, against loss of or damage related to agricultural losses, bonds and personal travel risks.

Health insurance business means the business of affecting and carrying out contracts of insurance, against the cost of medical care.

The Company also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities. The Company does not issue any contracts with direct participating features.

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2. Accounting policies (continued)

(c) Significant accounting policies (continued)

(ii) Insurance and reinsurance contracts 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 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. Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive - either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately.

Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. 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 risk 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 3. whether a series of contracts need 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 requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. 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 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)

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(iii) Level of aggregation (continued)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. 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.
As per IFRS 17, the below portfolios have been identified:

- Commercial- Motor commercial, Fire Industrial, Theft, Workmen's Compensation and Employer's Liability
- Engineering
- Mar-Avi- Marine and Aviation
- Miscellaneous
- Personal - Motor Private, Fire Domestic.

Recognition

The Company recognizes 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
- 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 into 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.

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

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 premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.
A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks Or
- Both of the following criteria are satisfied:
- 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 premiums up to the date when the risks are reassessed does not consider the risks that relate to periods after the reassessment date A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

(iii) Measurement - Premium Allocation Approach

Measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To allocate individual insurance contracts to groups of contracts, an entity first needs to define portfolios which include contracts with similar risks that are managed together. These portfolios are to be subdivided into groups of contracts on the basis of profitability and annual cohorts. IFRS 17 consists of 3 measurement models:

The general measurement model (GMM), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin.
The variable fee approach (VFA) is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts.
The premium allocation approach (PAA) is a simplified approach for the measurement of the liability for remaining coverage an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates for the liability for incurred claims. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds.

Insurance revenue and insurance service expenses are recognised in the statement of comprehensive income based on the concept of services provided during the period. The standard requires losses to be recognised immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions.
- Initial stages of a new business acquired where the underlying contracts are onerous.
- Any other strategic decisions the board considers appropriate.

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(iv) Accounting policy choices

The following table sets out the accounting policy choices adopted by the Company:

	IFRS 17 Options	Adopted approach
Premium Allocation Approach(PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for most of the company class of business is one year or less and so qualifies automatically for PAA. Both Engineering insurance and Performance guarantee insurance include contracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general 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 not 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 one-year insurance business, insurance acquisition cash flows are expensed as incurred. For all other business, 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 (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For Engineering and Performance guarantee insurance, an allowance is made for accretion of interest on the LFRC. For all other business, there is no allowance as the premiums are received within one year of the coverage period.

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(iv) Accounting policy choices

Liability for Incurred Claims, (LFIC) adjusted for 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 some claims within the property product line, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money. For all other business, the LFIC is adjusted for the time value of money.
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	For the personal accident product line, the impact on LFIC of changes in discount rates will be captured within OCI, in line with the accounting for assets backing this product line. For all other business, the change in LFIC as a result of changes in discount rates will be captured within profit or loss.

(v) Insurance contracts - initial measurement

The Company applies the premium allocation approach (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 premiums within the contract boundary (refer to 2.2.4)

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage 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.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(v). Insurance contracts - initial measurement

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, except for contracts which are one year or less where this is expensed, 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.

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 liability for remaining coverage for such onerous group depicting the losses recognised.

(vi).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 recognizes 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 recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognized 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 recognized 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.

(vii).Insurance contracts - subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows, with the exception of property insurance product line for which the Company chooses to expense insurance acquisition cash flows as they occur (please see Note 3.2.5.1)
- 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

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(vii). Insurance contracts – subsequent measurement

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment 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 does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred. Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognizes 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 liability for remaining coverage for such onerous group depicting the losses recognized. For additional disclosures on the loss component, please refer to Note 3.2.6.2. Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

(viii).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. With the exception of the property insurance product line, for which the Company chooses to expense insurance acquisition cash flows as they occur, the Company uses a systematic and rational method to allocate:

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts, and
- to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

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 recognized in the statement of financial position, a separate asset for insurance acquisition cash flows is recognized for each related group. The asset for insurance acquisition cash flow is derecognized from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognized, 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 recognized, the carrying amount of the asset is adjusted and an impairment loss is recognized in profit or loss. The Company recognizes in profit or loss a reversal of some or all of an impairment loss previously recognized and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(ix) Insurance contracts - modification and derecognition

The Company derecognizes 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 liability for remaining coverage.

(x).. 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.
Any assets for insurance acquisition cash flows recognized before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.
The Company disaggregates the total amount recognized in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.
The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.
The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

(xi). 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 recognized on the basis of the passage of time.

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(xii). 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 facts and circumstances mentioned in Note 3.2.2 indicate that a group of insurance contracts is onerous, 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 liability for remaining coverage of the group as determined in Note 3.2.5.3. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

(xiii). 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 disaggregates insurance finance income or expenses on insurance contracts issued for its personal accident product line between profit or loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimize accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Company's financial assets backing the personal accident insurance portfolios are predominantly measured FVOCI. For all other business, the Company does not disaggregate finance income and expenses because the related financial assets are managed on a fair value basis and measured at FVPL.

(xiv). Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, 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 and other comprehensive income.

Transition

On the date of initial application, 01 January 2023, IFRS 17 should be applied retrospectively. Where the full retrospective approach is impracticable, IFRS 17 allows for alternative transition methods.

The Company has determined that reasonable and supportable information is available for all contracts in force at the transition date. In addition, as the contracts are eligible for the PAA, the Company has concluded that only current and prospective information was required to reflect circumstances at the transition date, which made the full retrospective application practicable and, hence, the only available option for insurance contracts issued by the Company.

2. Accounting policies (continued)

c) Insurance and reinsurance contracts classification (continued)

(xiv) Net income or expense from reinsurance contracts held.

Impact on Equity

The Company assessed the transition balances and the impact that the initial application of IFRS 17 will have on its financial statements. Based on assessments undertaken, the total adjustment (before tax) to the balance of the Company's total equity is estimated to be a reduction of Frw 34.4 million at 1 January 2022.

	1 Jan 2022
	Frw' 000
Insurance contracts	
Impact of discounting of future cash flows when measuring liabilities for incurred claims.	187,852
Impact of including a risk adjustment for non-financial risk. This is not explicitly allowed for currently.	(131,608)
Recognition of Unallocated loss adjustment expenses (ULAE)	-
Other minor variances	(21,788)
Total Impact	34,457

d) Financial assets and Financial liabilities

(i) *Classification and measurement.*

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value on the basis of both the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development. Equity instruments are held at fair value through other comprehensive income.

2. Accounting policies (continued)

d) Financial assets and Financial liabilities (continued)

(ii) Classification and measurement

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of asset sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

A financial asset is measured at fair value through profit and Loss if managed in a fair value business model or has been designated by management upon initial recognition or is mandatorily required to be measured at fair value under IFRS 9. This category includes assets whose cash flow characteristics fail the Solely Payment of Principal and Interest (SPPI) criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

(iii) Recognition and derecognition

Financial assets are recognised when the company becomes a party to the contractual provisions of the asset. Initial recognition of financial asset is at fair value plus, for all financial assets except those carried at fair value through other comprehensive income and transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the company has transferred substantially all risks and rewards of ownership.

In some circumstances, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset in accordance with this Standard. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset for the purposes of this Standard. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. This typically means measuring the loss allowance at an amount equal to 12-month expected credit losses until the requirements for the recognition of lifetime expected credit losses are met. However, in some unusual circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the modified financial asset is credit-impaired at initial recognition, and thus, the financial asset should be recognised as an originated credit-impaired financial asset. This might occur, it may be possible for the modification to result in a new financial asset which is credit-impaired at initial recognition.

2. Accounting policies (continued)

d) Financial assets and Financial liabilities (continued)

(iii) Recognition and derecognition (continued)

Equity investments are carried at fair value. Gains and losses arising from changes in the fair value of equity investments are recognised through OCI. When equity investments are derecognised, the cumulative gains or losses previously recognised are also derecognized. Dividends on equity instruments are recognised in the statement of profit or loss when the company's right to receive payment is established.

Fair values of quoted investments in active markets are based on current bid prices. Fair values for unquoted equity securities are estimated using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

In accordance with IFRS 9, the 'expected credit loss' (ECL) model, results in credit losses are recognised earlier than under IAS 39. The ECL impairment model applies to financial assets measured at amortised cost. The entity also applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. Consequently, the company revised its impairment methodology. The Company assess whether impairment exists individually for financial assets and includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss. The Company considers an instrument to be in default when contractual payments are 30 days past due for corporate clients and 60 days for NGOs and Government institutions.

The ECL impairment loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects an entity's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, an entity should also consider observable market information about the credit risk of the financial instrument or similar financial instruments.

2. **Accounting policies (continued)**

d) **Financial assets and Financial liabilities (continued)**

(iv) Impairment of financial assets (continued)

In the absence of sufficient depth of data, management will apply expert judgment within a governance framework to determine the required parameters. The expert judgement process is based on available internal and external information.

Forward-looking information includes but is not limited to macro-economic conditions expected in the future. Forward looking information used in the ECL calculation should reflect the nature and characteristics of the credit risk exposures. All reasonable and supportable information that is available should be used when incorporating forward-looking information into the ECL allowance. Forward looking assessments can be performed on an individual or collective basis.

Forward-looking factors have been aligned with risk factors used in risk assessments, stress testing, budgeting as well as strategy and pricing decisions. Relevant factors include factors intrinsic to the entity and its business or derived from external conditions.

Estimates regarding credit risk parameters and the impact of forward-looking information used in the calculation of the ECL loss amount should be reviewed at each reporting date and updated if necessary. The ECL loss amount depends on the specific stage where the financial instrument has been allocated to within the ECL model:

Stage 1: At initial recognition a financial instrument is allocated into stage 1, except for purchased or originated credit impaired financial instruments.

Stage 2: A financial instrument is allocated to stage 2 if there has been a significant increase in credit risk since initial recognition of the financial instrument. This is considered where the credit rating has moved by more than 2 basis points.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers quantitative and qualitative information, based on the company's historical experience, credit assessment and including forward-looking information. The company's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

- The primary risk driver aligns to the quantitative credit risk assessments performed, such as the credit score, credit rating, probability of default or arrears aging of a financial instrument.
- The secondary risk assessment considers a broad range of qualitative risk factors based on a forward-looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment at a financial instrument level.

When making a quantitative assessment, the company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk

2. Accounting policies (continued)

d) Financial assets and Financial liabilities (continued)

(iii) Impairment of financial assets (continued)

Stage 3: A financial instrument is allocated to stage 3 if the financial instrument is in default or is considered to be credit impaired.

Under IFRS 9, impairment loss allowances are measured on either of the following bases:

12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets where credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers quantitative and qualitative information, based on the company's historical experience, credit assessment and including forward-looking information. The Company's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

- The primary risk driver aligns to the quantitative credit risk assessments performed, such as the credit score, credit rating, probability of default or arrears aging of a financial instrument.
- The secondary risk assessment considers a broad range of qualitative risk factors based on a forward-looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment at a financial instrument level.

When making a quantitative assessment, the company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Details on IFRS 9 impairment of financial instruments is outlined in note 4.

2. Accounting policies (continued)

d) Financial assets and Financial liabilities (continued)

(iv) Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery and derecognized from the balance sheet. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write-offs over the periods reported in these financial statements.

Financial Liabilities

In both the current and prior period, financial liabilities are classified and subsequently measured at amortized cost.
Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). For the period ended 31 December 2023 and 2022, Old Mutual Insurance Rwanda Plc had trade and other payables as financial liabilities.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. For the period ended 31 December 2023 and 2023, Old Mutual Insurance Rwanda Plc had other payables as financial liabilities.

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2. Accounting policies (continued)

e) Recognition of interest income

(i) The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument. If expectations of a fixed rate financial asset's cash flows are revised for reasons other than credit risk, and the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognized at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

(ii) Interest and similar income

Interest income comprises amounts calculated using the effective interest method and other methods. These are disclosed separately on the face of the income statement. In its Interest income calculated using the effective interest method the Company only includes interest on financial instruments at amortised cost or FVOCI. Other interest income includes interest on all financial assets measured at FVPL, using the contractual interest rate. The Company calculates interest income on all financial assets that are not fully impaired (i.e Stage 1 and Stage 2), by applying the EIR to the gross carrying amount of the financial asset.

f) Property and equipment

All categories of property and equipment are initially recorded at cost and subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2. Accounting policies (continued)

Depreciation on other assets is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives, as follows:

Equipment and motor vehicles 3 - 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each

reporting date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The carrying amount of an item of property, plant and equipment shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and included in profit or loss when the item is derecognised.

g) Intangible assets

The company's intangible assets relate to computer software. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of three years.

Development costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets if:-

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and use or sell it are available; and,
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that do not meet these criteria are recognized as an expense as incurred. Development costs that have been expensed are not recognized as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years). Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Accounting policies (continued)

If impairment losses recognized/ reversed are material in aggregate to the financial statements as a whole, the company discloses in details the classes of assets affected, events and circumstances affected and provides the estimates used to measure recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful life.

i) Accounting for leases

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

(i) Company acting 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 costs to dismantle and remove any improvements made to branches or office premises.

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 impairment losses, if any, 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 remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

2. Accounting policies (continued)

(i) Company acting as a lessee (Continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities in the statement of financial position.

(ii) Short-term leases and leases of low-value assets

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

(iii) Extension and termination options

Extension and termination options are included in a number of property leases across the company. These are used to maximize operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

(iv) Company acting as a lessor

When the Company acts as a lessor, it determines at inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

j) Cash and cash equivalents

Cash and cash equivalents are measured at amortized cost subsequent to initial recognition. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances that are available on demand as at the reporting date. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

k) Employee benefits

(i) Retirement benefit asset/obligations

The Company's contributions to the defined contribution schemes are charged to the profit or loss account in the year to which they relate. Employer contribution is 9.8% of your Basic salary and an employee is eligible to join the Provident Fund on engagement.

Its employees also contribute to the appropriate national Social Security Fund, which are defined contribution schemes.

2. Accounting policies (continued)

k) Employee benefits (continued)

(ii) Other entitlements

Employee entitlements to long service awards are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the financial reporting date.

The estimated monetary liability for employees accrued annual leave entitlement at the financial reporting date is recognized as an expense accrual.

l) Income and deferred tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Rwanda tax laws.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in associates, subsidiaries, and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m) Currency and translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rwanda Francs which is the Company's functional currency.

2. Accounting policies (continued)

(iii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Foreign exchange gains and losses that relate to other payables and cash and cash equivalents, as well as all other foreign exchange gains and losses are presented in the Foreign exchange (losses)/gains line item within the statement of other comprehensive income.

n) Dividends

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared.

o) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

p) Comparatives

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

q) Provisions

Provisions for legal claims are recognized when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3. Critical accounting estimates and judgments in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

(a) Onerous Groups

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. Management has assessed the onerous portfolios based on historical profitability.

(b) Liability for remaining coverage

Premium income is recognized on assumption of risks and includes estimates of premiums due but not yet received less unexpired portion of the coverage period. The liability for remaining coverage is the Company's obligation to:

(a) investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the coverage period); and

(b) pay amounts under existing insurance contracts that are not included in (a) and that related to:

   a. insurance contract services not yet provided (i.e., the obligation that relates to future provision of insurance contract services); or
   b. any investment component or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

For groups of contracts measured under the Premium Allocation Approach, the liability for remaining coverage at any point in time is calculated as the sum of the liability for the remaining coverage excluding any loss component and any loss component. Using the premium allocation approach, the Company measures the liability for remaining coverage as follows:

a) On initial recognition, the carrying amount of the liability is:

1. The premiums, if any, received at initial recognition;
2. Minus any insurance acquisition cash flows at that date, unless the entity chooses to recognise the payments as an expense
3. Plus or minus any amount arising from the derecognition at that date of;

   - Any asset for insurance acquisition cashflows and
   - Any other asset or liability previously recognizes for cash flows

At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period:

3. Critical accounting estimates and judgments in applying accounting policies (continued)

1. plus the premiums received in the period
2. minus insurance acquisition cash flows; unless the entity chooses to recognise the payments as an expense;
3. plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period; unless the entity chooses to recognise insurance acquisition cash flows as an expense;
4. minus the amount recognised as insurance revenue for insurance contract services coverage provided in that period.

(c) Risk adjustment

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all portfolios (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

(d) Assets for insurance acquisition cash flows

Insurance acquisition expenses are included in the measurement of the insurance liability and amortized over the coverage period. This is aligned to the current practice and reduces the possibility of onerous contracts.

The Company expenses its insurance acquisition cash flows for its portfolios immediately the expense is incurred, and an asset is created for the deferred portion. The asset for insurance acquisition cashflow is derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

(e) Fair value of financial instruments

Fair values of certain financial assets recognised in the financial statements may be determined in whole or part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example models) are used to determine fair values, they are validated and periodically independently reviewed by qualified senior personnel. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

(f) Impairment losses on financial assets (ECL)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers quantitative and qualitative information, based on the company's historical experience, credit assessment and including forward-looking information.
When making a quantitative assessment, the company uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

3. Critical accounting estimates and judgments in applying accounting policies (continued)

(g) Determining the right-of-use assets and lease liabilities

The right-of-use assets, the restoration costs and lease liabilities recognized in the financial statements is determined using a financial model. The assumptions applied in the model including lease term extension options, Incremental Borrowing Rate and restoration provision costs are determined by management by analyzing various external sources and making certain adjustments to reflect the terms of the lease and type of asset leased as outlined on note 2 (k).

Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(h) Income taxes

Judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

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 deferred tax provisions in the period in which such determination is made.

In the current year, the directors have recognized a deferred income tax asset of Frw 160M (2022 Frw 133 M) because they are of the view that this will be recovered in future periods.

4. Insurance and financial risk

(i). Insurance risk

a. . Non-Life insurance contracts and reinsurance contracts

The Company principally issues the following types of non-life insurance contracts: personal accident; marine; property; and liability reinsurance. For non-life insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues.

The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company.

The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Company purchases reinsurance as part of its risk mitigation programmed. Reinsurance held is placed on a proportional basis. Proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to its marine business. Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations.

The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date. The following tables show the concentration of net insurance contract liabilities by type of contract:

	2023			2022		
Class of Business	Insurance	Reinsurance	Net	Insurance	Reinsurance	Net
Accident	96,275	(37,693)	58,582	69,631	(4,043)	65,589
Motor	7,659,978	(682,095)	6,977,883	5,591,915	(1,052,960)	4,538,955
Engineering	866,536	(573,675)	292,861	412,640	(237,085)	175,555
Property	1,043,930	(399,264)	644,667	700,663	(247,865)	452,797
Transportation	38,373	(14,334)	24,039	17,233	(2,156)	15,077
Guarantee	141,061	(53,875)	87,186	244,335	(73,538)	170,797
Liability	169,922	(93,520)	76,402	60,771	(23,318)	37,452
Miscellaneous	928,553	(661,059)	267,495	716,681	(562,208)	154,473
Total Net Contracts	10,944,629	(2,515,513)	8,429,115	7,813,869	(2,203,173)	5,610,696

4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b). Claims development table

The following tables 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. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain. The Company has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Gross undiscounted liabilities for incurred claims for 2023 - Motor

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	3,223,598	3,040,895	3,472,914	4,100,930	4,131,282	3,886,090	21,855,709
One year later	3,383,426	3,137,025	3,721,345	4,185,204	4,195,790	-	-
Two years later	3,383,426	3,137,860	3,740,622	4,188,161	-	-	-
Three Years Later	3,383,426	3,137,860	3,742,622	-	-	-	-
Four Year Later	3,383,426	3,137,860	-	-	-	-	-
Five year later	3,383,426	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	3,383,426	3,137,860	3,742,622	4,188,161	4,195,790	3,886,090	22,533,949
Settlement of the claim							
At end of accident year	1,901,333	1,613,457	2,147,616	2,589,072	2,449,135	2,002,884	12,703,497
One year later	2,965,061	2,339,952	3,096,174	3,626,606	3,421,785	-	-
Two years later	3,239,136	2,526,057	3,506,801	3,823,641	-	-	-
Three Years Later	3,298,825	2,603,186	3,573,449	-	-	-	-
Four Year Later	3,351,930	2,657,722	-	-	-	-	-
Five year later	3,365,456	-	-	-	-	-	-
Cumulative payments to date	3,365,456	2,657,722	3,573,449	3,823,641	3,421,785	2,002,884	18,844,937
Gross undiscounted liabilities for incurred claims	17,970	480,138	169,174	364,519	774,005	1,883,206	3,689,012
Effect of discounting	-	-	-	-	-	-	209,680
Total gross liabilities for incurred claims	-	-	-	-	-	-	3,479,332

4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b) Claims development table

Gross undiscounted liabilities for incurred claims for 2023 - Motor

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims			
Relate to Motor Insurance	3,477,965	236,502	3,714,466

Gross undiscounted liabilities for incurred claims for 2023 - Property

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	100,001	2,081	31,762	18,891	168,338	103,002	424,074
One year later	101,291	5,698	35,257	20,394	174,329	-	-
Two years later	101,291	5,698	35,257	20,394	-	-	-
Three Years Later	101,291	5,698	35,257	-	-	-	-
Four Year Later	101,291	5,698	-	-	-	-	-
Five year later	101,291	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	101,291	5,698	35,257	20,394	174,329	103,002	439,972
Settlement of the claim							
At end of accident year	8,859	1,926	31,762	17,448	158,403	58,002	276,400
One year later	21,031	4,870	35,257	20,394	166,973	-	-
Two years later	21,291	5,543	35,257	20,394	-	-	-
Three Years Later	21,291	5,543	35,257	-	-	-	-
Four Year Later	21,291	5,543	-	-	-	-	-
Five year later	21,291	-	-	-	-	-	-
Cumulative payments to date	21,291	5,543	35,257	20,394	166,973	58,002	307,461
Gross undiscounted liabilities for incurred claims	80,000	155	-	-	7,356	45,000	132,511
Effect of discounting							52,418
Total gross liabilities for incurred claims							80,093

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims			
Relate to Property Insurance	80,093	5,446	85,539

4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b). Claims development table

Gross undiscounted liabilities for incurred claims for 2023 - Engineering

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	62,407	40,165	83,307	69,478	96,585	263,033	614,976
One year later	62,482	40,165	114,255	107,989	121,147		
Two years later	62,482	40,165	114,255	107,989			
Three Years Later	62,482	40,165	114,255				
Four Year Later	62,482	40,165					
Five year later	62,482						
Gross estimates of the undiscounted amount of the claims	62,482	40,165	114,255	107,989	121,147	263,033	709,071
Settlement of the claim							
At end of accident year	7,710	36,487	6,208	44,918	15,888	116,649	227,860
One year later	13,220	36,487	77,879	97,603	106,252		
Two years later	61,732	36,487	83,888	97,603			
Three Years Later	61,732	36,487	86,294				
Four Year Later	61,732	36,487					
Five year later	61,732						
Cumulative payments to date	61,732	36,487	86,294	97,603	106,252	116,649	505,017
Gross undiscounted liabilities for incurred claims	750	3,678	27,961	10,385	14,895	146,384	204,054
Effect of discounting							52,008
Total gross liabilities for incurred claims							152,046

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims Relate to Engineering Insurance	152,046	10,339	162,385

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4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b). Claims development table

Gross undiscounted liabilities for incurred claims for 2023 - Liability

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	12,908	2,000	16,730	38,603	7,000	39,257	116,498
One year later	17,057	2,000	16,807	40,419	18,040	-	-
Two years later	17,057	2,000	22,134	42,612	-	-	-
Three Years Later	17,057	2,000	22,634	-	-	-	-
Four Year Later	17,057	2,000	-	-	-	-	-
Five year later	17,057	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	17,057	2,000	22,634	42,612	18,040	39,257	141,599
Settlement of the claim							
At end of accident year	2,628	-	13,558	32,426	-	2,254	50,866
One year later	16,557	2,000	16,807	34,241	12,615	-	-
Two years later	16,557	2,000	22,134	36,435	-	-	-
Three Years Later	16,557	2,000	22,634	-	-	-	-
Four Year Later	16,557	2,000	-	-	-	-	-
Five year later	16,557	-	-	-	-	-	-
Cumulative payments to date	16,557	2,000	22,634	36,435	12,615	2,254	92,494
Gross undiscounted liabilities for incurred claims	500	-	-	6,177	5,425	37,003	49,105
Effect of discounting							6,383
Total gross liabilities for incurred claims							42,722

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims			
Relate to liability Insurance	42,722	2,905	45,627

4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b). Claims development table

Gross undiscounted liabilities for incurred claims for 2023 - Accident

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	51,747	673	-	1,417	15,160	39,257	108,253
One year later	54,697	55	-	7,010	18,040	-	-
Two years later	4,322	12,046	-	2,758	-	-	-
Three Years Later	4,322	12,046	-	-	-	-	-
Four Year Later	4,322	346	-	-	-	-	-
Five year later	4,322		-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	4,322	346	-	2,758	18,040	39,257	64,721
Settlement of the claim							
At end of accident year	2,380	55	-	-	15	-	2,450
One year later	3,730	55	-	778	3,485	-	-
Two years later	4,178	55	-	2,758	-	-	-
Three Years Later	4,178	346	-	-	-	-	-
Four Year Later	4,322	346	-	-	-	-	-
Five year later	4,322	-	-	-	-	-	-
Cumulative payments to date	4,322	-	-	2,758	3,485	-	10,910
Gross undiscounted liabilities for incurred claims	-	-	-	-	14,555	39,257	53,811
Effect of discounting						-	2,408
Total gross liabilities for incurred claims							51,404

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims			
Relate to Accident Insurance	51,404	3,495	54,899

4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b). Claims development table

Gross undiscounted liabilities for incurred claims for 2023 - Marine

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	20,179	36,969	418	-	-	1,835	59,401
One year later	22,479	36,969	-	1,088	18,040		
Two years later	22,479	36,969	-	1,088			
Three Years Later	22,479	36,969	1,835				
Four Year Later	22,479	36,969					
Five year later	22,479						
Gross estimates of the undiscounted amount of the claims	22,479	36,969	1,835	1,088	18,040	1,835	82,245
Settlement of the claim							
At end of accident year	20,179	36,969	418	-	-	1,337	58,903
One year later	22,479	36,969	418	1,088	-		
Two years later	22,479	36,969	418	1,088			
Three Years Later	22,479	36,969	418				
Four Year Later	22,479	36,969					
Five year later	22,479						
Cumulative payments to date	22,479	36,969	418	1,088	-	1,337	62,291

Gross undiscounted liabilities for incurred claims for 2023 - Marine

Gross undiscounted liabilities for incurred claims	-	-	1,417	-	18,040	498	19,954
Effect of discounting							7,995
Total gross liabilities for incurred claims							11,959

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims			
Relate to Marine Insurance	11,959	717	12,676

4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b). Claims development table

Gross undiscounted liabilities for incurred claims for 2023 - Bonds

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	3,267	10,168	5,836	4,528	26,820	28,926	79,544
One year later	3,267	10,168	6,868	5,406	26,820	-	-
Two years later	3,267	10,168	7,368	5,406	-	-	-
Three Years Later	3,267	10,168	7,368	-	-	-	-
Four Year Later	3,267	10,168	-	-	-	-	-
Five year later	3,267	-	-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	3,267	10,168	7,368	5,406	26,820	28,926	81,954
Settlement of the claim							
At end of accident year	3,267	10,168	5,836	100	26,820	21,822	68,013
One year later	3,267	10,168	6,868	1,015	26,820	-	-
Two years later	3,267	10,168	6,868	1,015	-	-	-
Three Years Later	3,267	10,168	6,868	-	-	-	-
Four Year Later	3,267	10,168	-	-	-	-	-
Five year later	3,267	-	-	-	-	-	-
Cumulative payments to date	3,267	10,168	6,868	1,015	26,820	21,822	69,960
Gross undiscounted liabilities for incurred claims	-	-	500	4,391	-	7,104	11,994
Effect of discounting							1,693
Total gross liabilities for incurred claims							10,302

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims			
Relate to Bonds Insurance	10,302	721	11,022

4. Insurance and financial risk. (continued)

(i). Insurance risk (continued)

b). Claims development table

Gross undiscounted liabilities for incurred claims for 2023 - Miscellaneous

Rwf'000	Before 2019	2019	2020	2021	2022	2023	Total
Accident Year							
At end of accident year	29,472	-	-	9,130	278,318	720,548	1,037,467
One year later	31,622	-	393	72,207	369,418	-	-
Two years later	31,622	-	393	73,825	-	-	-
Three Years Later	31,622	-	393	-	-	-	-
Four Year Later	31,622	-	-	-	-	-	-
Five year later	31,622		-	-	-	-	-
Gross estimates of the undiscounted amount of the claims	31,622	-	393	73,825	369,418	720,548	1,195,806
Settlement of the claim							
At end of accident year	21,487	-	-	7,200	249,556	400,240	678,482
One year later	31,622	-	393	69,205	329,169	-	-
Two years later	31,622	-	393	73,313	-	-	-
Three Years Later	31,622	-	393	-	-	-	-
Four Year Later	31,622	-	-	-	-	-	-
Five year later	31,622	-	-	-	-	-	-
Cumulative payments to date	31,622	-	393	73,313	329,169	400,240	834,738
Gross undiscounted liabilities for incurred claims	-	-	-	512	40,249	320,308	361,068
Effect of discounting							47,271
Total gross liabilities for incurred claims							313,798

	Estimates of the present value of future cash flows	Risk adjustment	Total
	Rwf'000	Rwf'000	Rwf'000
Total gross liabilities for incurred claims			
Relate to Miscellaneous Insurance	313,798	21,338	335,136

4. Insurance and financial risk. (continued)

c). Financial risk

I). 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 following policies and procedures are in place to mitigate the Company's exposure to liquidity risk: IFRS 17.124(a),(b) The Company's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

ii). Maturity analysis for financial assets (contractual undiscounted cash flow basis)

The following table summarizes the maturity profile of financial assets of the Company based on remaining undiscounted contractual cash flows, including interest receivable:

2023 In Rwf'000	Up to 1 Year	1-3 Years	3-5 years	More than 5	Total
Financials assets					
Cash and bank balance	224,940	-	-	-	224,940
Term deposits	8,188,298	-	-	-	8,188,298
Debt instruments at amortized cost	2,936,179	3,476,176	1,520,716	4,514,933	12,448,004
Total	11,349,417	3,476,176	1,520,716	4,514,933	20,861,242

2022 In Rwf'000	Up to 1 Year	1-3 Years	3-5years	More than 5	Total
Financials assets					
Cash and bank balance	255,440	-	-	-	255,440
Term deposits	5,932,715	-	-	-	5,932,715
Debt instruments at amortized cost	502,609	3,414,942	1,947,602	4,537,839	10,402,992
Total	6,690,764	3,414,942	1,947,602	4,537,839	16,591,147

4. Insurance and financial risk. (continued)

c). Financial risk

ii) Maturity analysis for financial assets (contractual undiscounted cash flow basis)

Current and non-current assets and liabilities

The table below summarizes the expected utilization or settlement of assets and liabilities:

	2023			2022		
	Not more than 12 months	More than 12 Months	Total	Not more than 12 months	More than 12 Months	Total
Financial Assets						
Cash and bank balance	224,940	-	224,940	255,440	-	255,440
Term deposits	8,188,298	-	8,188,298	5,932,715	-	5,932,715
Debt instruments at amortized cost	2,936,179	9,511,825	12,448,004	502,609	9,900,383	10,402,992
	11,349,417	9,511,825	20,861,242	6,690,764	9,900,383	16,591,147
Insurance contract Assets						
Insurance Issued	5,111,545	-	5,111,545	3,092,783	-	3,092,783
Reinsurance held	2,515,513	-	2,515,513	2,168,684	-	2,168,684
	7,627,058	-	7,627,058	5,261,467	-	5,261,467
Insurance Contract Liability						
Insurance Issued	7,661,240	3,283,389	10,944,629	5,469,708	2,344,161	7,813,869
Reinsurance held	1,026,489		1,026,489	931,761		931,761
Total	8,687,729	3,283,389	11,971,118	6,401,469	2,344,161	8,745,630

iii). Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk). The Company's market risk policy sets out the assessment and determination of what constitutes market risk for it. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains needed to meet the Company's contractual requirements.

The nature of the Company's exposure to market risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period

iv). Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Rwandan Francs and its exposure to foreign exchange risk arises primarily with respect to the US dollar. The Company's financial assets are primarily denominated in the same currencies as its insurance contract liabilities. 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.

4. Insurance and financial risk. (continued)

c). Financial risk

v). 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 mix of fixed and variable rate instruments to support the insurance contract liabilities. The policy also requires it to manage the maturities of interest-bearing financial assets.

The Company has no significant concentration of interest rate risk. IFRS 17.127 IFRS 7.34(c) The Company is exposed to interest rate risk through its debt instruments held and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred.

vi). Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market. The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on individual and total equity instruments. The Company has no significant concentration of price risk.

vii). Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process

viii). 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. The following policies and procedures are in place to mitigate the Company's exposure to credit risk. The Company's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. Credit risk relating to financial instruments is monitored by the Company's investment team. It is their responsibility to review and manage credit risk, including environmental risk for all counterparties. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

4. Insurance and financial risk. (continued)

D). Credit risk

It is the Company's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments. 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 and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in the policy document. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of default. The nature of the Company's exposure to credit risk and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

i). Credit exposure

The table below provides information regarding the credit risk exposure of the Company by classifying Very good+ as the highest possible rating. Assets that fall outside the range of Very good+ to Good are classified as non-investment grade. The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Company manages the risk.

The Company manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance contract assets.

		2023			
In Rwf'000	Financial service	Gvt	Retails	Construction	Total
Financials assets					
Cash and bank balance	224,940	-	-	-	224,940
Term deposits	8,188,298	-	-	-	8,188,298
Debt instruments at amortised cost	-	10,223,135	1,104,795	1,120,074	12,448,004
Insurance contract asset	-	3,758,637	1,352,908	-	5,111,545
Reinsurance contract asset	2,515,513	-	-	-	2,515,513
Total	10,928,751	13,981,772	2,457,703	1,120,074	28,488,300

		2022			
In Rwf'000	Financial service	Gvt	Retails	Construction	Total
Financials assets					
Cash and bank balance	255,440	-	-	-	255,440
Term deposits	5,932,715	-	-	-	5,932,715
Debt instruments at amortized cost	-	9,900,383	1,104,795	602,186	11,607,363
Insurance contract asset	-	2,379,456	713327	-	3,092,783
Reinsurance contract asset	2,168,684	-	-	-	2,168,684
Total	8,356,840	12,279,839	1,818,122	602,186	23,056,986

4. Financial risk (Continued).

d). Credit exposure (Continued).

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties:

2023

In Rwf'000	HIGHGRADE	Standard	Past Due but not impaired	Not Rated	Total
Financials assets					
Cash and bank balance	224,940	-	-	-	224,940
Term deposits	8,188,298	-	-	-	8,188,298
Debt instruments at amortised cost	10,223,135	2,224,869	-	-	12,448,004
Insurance Contract asset	3,758,637	1,352,908	-	-	5,111,545
Reinsurance contract asset		2,515,513	-	-	2,515,513
Total	22,395,010	6,093,290	-	-	28,488,300

2022

In Rwf'000	HIGHGRADE	Standard	Past Due but not impaired	Not Rated	Total
Financials assets					
Cash and bank balance	255,440	-	-	-	255,440
Term deposits	5,932,715	-	-	-	5,932,715
Debt instruments at a mortised cost	9,900,383	1,706,981	-	-	11,607,363
Insurance contract aaset	2,379,456	713,327	-	-	3,092,783
Reinsurance contract asset		2,168,684	-	-	2,168,684
Total	18,467,994	4,588,992	-	-	23,056,986

e). Impairment assessment

The Company's ECL assessment and measurement method is set out below.

i). Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition.

The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 90 days past due. In addition, the Company also considers a variety of instances that may indicate unlikeliness to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees.
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection.
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

4. Financial risk (Continued).

e). Impairment assessment (Continued).

i). Significant increase in credit risk, default and cure

The Company considers a financial instrument defaulted and, therefore, credit impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments and that there is no indication that there shall be a possibility of recovery. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In such cases, the Company recognizes a lifetime ECL. In rare cases when an instrument identified as defaulted, it is the Company's policy to consider a financial instrument as 'cured' and, therefore, re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months.

There has been no significant increase in credit risk or default for financial assets during the year.

ii). Expected credit loss

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

The table below indicated the ECL financial assets:

Class	2023 Cost	Accrual	Impairment Cost	Impairment Accrual	Impairment Total	Impairment Movement
Government Bond	10,027,391	301,653	50,137	1,508	51,645	6,209
Commercial Paper	1,120,074	(21,658)	22,838	(442)	22,397	16,848
Corporate Bond	1,000,000	104,795	9,240	968	10,208	0
Total	12,147,466	384,789	82,215	2,035	84,250	-
					-	-
Term Deposit	5,100,000	313,569	25,500	1,568	27,068	4,007
Term Deposit	2,700,000	102,637	810	31	841	438
Total	7,800,000	416,206	26,310	1,599	27,909	4,446
					-	-
Bank Balance	121,662	0	608	-	608	(170)
Bank Balance	96,534	0	29	-	29	(1)
Total	218,196	-	637	-	637	(171)
Grand Total	**20,165,662**	**800,995**	**109,163**	**3,634**	**112,796**	**27,332**

Class	2022 Cost	Accrual	Impairment Cost	Impairment Accrual	Impairment Total	Impairment Movement
Government Bond	8,824,239	263,017	44,121	1,315	45,436	9,886
Commercial Paper	278,000	(5,865)	5,668	(120)	5,549	(4)
Corporate Bond	1,000,000	104,795	9,240	968	10,208	(8,026)
Total	10,102,239	361,947	59,030	2,164	61,193	1,856
					-	
Term Deposit	4,300,000	312,074	21,500	1,560	23,060	7,376
Term Deposit	1,300,000	40,992	390	12	402	(115)
Total	5,600,000	353,065	21,890	1,573	23,463	7,262
					-	
Bank Balance	155,582	-	778	-	778	(8,467)
Bank Balance	100,667	-	30	-	30	(147)
Total	256,248	-	808	-	808	(8,614)

4. Financial risk (Continued).

e). Impairment assessment (Continued).

iii). Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

5. Capital

5. Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Company is also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseeable liabilities as they arise.

The Company has met all of these requirements throughout the financial year.

Approach to capital management

The Company seeks to optimize the structure and sources of capital to ensure that it consistently maximizes returns to the shareholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

Below is the solvency margin status as at 31 December which is the key indicator of company capital adequacy:

	2023	2022
Solvency Margin Required	1,462,450	1,887,886
Admitted Assets	23,866,800	18,402,684
Admitted Liabilities	-16,524,123	-12,120,276
Solvency Margin Available	7,342,677	6,282,408
Excess on Solvency Required	5,880,226	4,394,522
Solvency Ratio	**502.1%**	**333%**

6. Significant judgements and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose major product lines namely, marine, property, personal accident insurance and liability reinsurance issued. This disaggregation has been determined based on how the Company is managed.

i). Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

ii). Liability for remaining coverage

Insurance acquisition cash flows
In the property insurance product line, the Company is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within that product line have a coverage period of one year or less. For personal accident insurance, marine insurance and liability reinsurance products, where groups are not eligible to recognise an expense immediately, insurance acquisition cash flows are allocated to related groups of insurance contracts recognised in the statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised.
The effect of electing to recognise insurance acquisition cash flows as an expense when incurred for a group of insurance contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.
Onerous groups
For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.
Time value of money
For the marine and personal insurance product lines, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

6. Significant judgements and estimates

iii). Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bereuter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types.

iv). Liability for incurred claims

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.
Some of the insurance contracts that have been written in the property line of business permit the Company to sell property acquired in settling a claim. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

v). Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates. Discount rates applied for discounting of future cash flows are listed below:

vi). Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.
The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

7. Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

Rwf'000	2023 Assets	Liabilities	Net	2022 Assets	Liabilities	Net
Insurance contract issued						
Accident	(37,693)	96,275	58,582	(4,043)	69,631	65,589
Motor	(682,095)	7,659,978	6,977,883	(1,052,960)	5,591,915	4,538,955
Engineering	(573,675)	866,536	292,861	(237,085)	412,640	175,555
Property	(399,264)	1,043,930	644,667	(247,865)	700,663	452,797
Transportation	(14,334)	38,373	24,039	(2,156)	17,233	15,077
Guarantee	(53,875)	141,061	87,186	(73,538)	244,335	170,797
Liability	(93,520)	169,922	76,402	(23,318)	60,771	37,452
Miscellaneous	(661,058)	928,553	267,495	(562,208)	716,681	154,473
Total insurance contracts issued	(2,515,513)	10,944,629	8,429,115	(2,203,173)	7,813,869	5,610,696

i). Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately:

- Motor
- Property
- Engineering
- Transportation/Marine
- Guarantee
- Accident
- Liability, and
- Miscellaneous

This disaggregation has been determined based on how the company is managed.

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7.1.1. Motor insurance

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for personal accident insurance product line, is disclosed in the table below:

2023	LRC	LIC		
Entries	**Excl Loss Component**	**Loss Component**	**Incl Risk Adjustment**	**Total**
Opening insurance contact liabilities	2,626,242,139	2,848	2,890,184,406	5,516,429,394
Opening insurance contract assets	-	-	-	-
Net opening balance	2,626,242,139	2,848	2,890,184,406	5,516,429,394
Insurance revenue	7,830,699,420	-	-	7,830,699,420
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	5,134,661,816	5,134,661,816
Changes that relate to past service - adjustments to the LIC	-	-	595,804,630	595,804,630
Losses on onerous contracts and reversal of those losses	-	71,669,784	-	71,669,784
Insurance acquisition cashflows amortisation	441,860,118	-	-	441,860,118
Insurance service expenses	441,860,118	71,669,784	5,730,466,447	6,243,996,348
Insurance service result	7,388,839,302	(71,669,784)	(5,730,466,447)	1,586,703,071
Finance income (expenses) from insurance contracts issued			963,487,246	963,487,246
Total amounts recognised in comprehensive income	7,388,839,302	(71,669,784)	(4,514,545,761)	2,802,623,756
			(4,766,979,200)	2,550,190,317
Investment components	-	-	1,191,964,505	1,191,964,505
Cash flows				-
Premiums received	8,875,639,481	-	-	8,875,639,481
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(4,882,228,377)	(4,882,228,377)
Insurance acquisition cashflows deducted	(491,636,479)			(491,636,479)
Total cash flows	8,384,003,002	-	(3,690,263,872)	4,693,739,130
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	3,621,405,840	71,672,632	3,966,899,735	7,659,978,207
Closing insurance contract liabilities	3,621,405,840	71,672,632	3,966,899,735	7,659,978,207
Closing insurance contract assets	-	-	-	-
Net closing balance	3,621,405,840	71,672,632	3,966,899,735	7,659,978,207

Motor - 2022	LRC		LIC	
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	3,664,041,961	-	2,676,488,030	6,340,529,991
Opening insurance contract assets	-	-	-	-
Net opening balance	3,664,041,961	-	2,676,488,030	6,340,529,991
Insurance revenue	7,540,946,254	-	-	7,540,946,254
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	5,395,991,506	5,395,991,506
Changes that relate to past service - adjustments to the LIC	-	-	19,559,509	19,559,509
Losses on onerous contracts and reversal of those losses	-	2,848	-	2,848
Insurance acquisition cashflows amortisation	377,745,897	-	-	377,745,897
Insurance service expenses	377,745,897	2,848	5,415,551,015	5,793,299,760
Insurance service result	7,163,200,357	(2,848)	5,415,551,015	1,747,646,493
Finance income (expenses) from insurance contracts issued			784,214,286	784,214,286
Total amounts recognised in comprehensive income	7,163,200,357	(2,848)	(4,555,850,477)	2,607,347,031
Investment components	-	-	978,351,153	978,351,153
Cash flows				-
Premiums received	6,361,915,123	-	-	6,361,915,123
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(5,320,505,254)	(5,320,505,254)
Insurance acquisition cashflows deducted	(236,514,589)			(236,514,589)
Total cash flows	6,125,400,535	-	(4,342,154,101)	1,783,246,434
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	2,626,242,139	2,848	2,965,670,658	5,591,915,646
Closing insurance contract liabilities	2,626,242,139	2,848	2,965,670,658	5,591,915,646
Closing insurance contract assets	-	-	-	-
Net closing balance	2,626,242,139	2,848	2,965,670,658	5,591,915,646

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7.1.2. Property

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for personal accident insurance product line, is disclosed in the table below:

Property - 2023	LRC		LIC	
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	630,849,877	-	69,812,864	700,662,741
Opening insurance contract assets	-	-	-	-
Net opening balance	630,849,877	-	69,812,864	700,662,741
Insurance revenue	1,633,667,856	-	-	1,633,667,856
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	506,747,204	506,747,204
Changes that relate to past service - adjustments to the LIC	-	-	11,417,955	11,417,955
Losses on onerous contracts and reversal of those losses	-	-	-	-
Insurance acquisition cashflows amortisation	98,814,853	-	-	98,814,853
Insurance service expenses	98,814,853	-	518,165,159	616,980,011
Insurance service result	1,534,853,003	-	(518,165,159)	1,016,687,845
Finance income (expenses) from insurance contracts issued			260,844,746	260,844,746
Total amounts recognised in comprehensive income	1,534,853,003	-	(257,320,413)	1,277,532,591
Investment components	-	-	265,152,978	265,152,978
Cash flows				-
Premiums received	1,974,572,496	-	-	1,974,572,496
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(506,747,204)	(506,747,204)
Insurance acquisition cashflows deducted	(112,178,123)			(112,178,123)
Total cash flows	1,862,394,373	-	(241,594,226)	1,620,800,147
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	958,391,246	-	85,539,051	1,043,930,297
Closing insurance contract liabilities	958,391,246	-	85,539,051	1,043,930,297
Closing insurance contract assets	-	-	-	-
Net closing balance	958,391,246	-	85,539,051	1,043,930,297

7.1.2. Property

Property - 2022 Entries	LRC Excl Loss Component	LIC Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	412,262,012	-	65,016,094	477,278,106
Opening insurance contract assets	-	-	-	-
Net opening balance	412,262,012	-	65,016,094	477,278,106
Insurance revenue	1,131,377,440	-	-	1,131,377,440
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	516,728,000	516,728,000
Changes that relate to past service - adjustments to the LIC	-	-	595,709	595,709
Losses on onerous contracts and reversal of those losses	-	-	-	-
Insurance acquisition cashflows amortization	165,360,783	-	-	165,360,783
Insurance service expenses	165,360,783	-	517,323,709	682,684,492
Insurance service result	966,016,657	-	(517,323,709)	448,692,948
Finance income (expenses) from insurance contracts issued			235,839,631	235,839,631
Total amounts recognised in comprehensive income	966,016,657	-	(281,484,078)	684,532,579
Investment components	-	-	240,040,692	240,040,692
Cash flows				-
Premiums received	1,352,465,491	-	-	1,352,465,491
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(516,728,000)	(516,728,000)
Insurance acquisition cashflows deducted	(167,860,969)			(167,860,969)
Total cash flows	1,184,604,522	-	(276,687,308)	907,917,214
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	630,849,877	-	69,812,864	700,662,741
Closing insurance contract liabilities	630,849,877	-	69,812,864	700,662,741
Closing insurance contract assets	-	-	-	-
Net closing balance	630,849,877	-	69,812,864	700,662,741

7.1.3. Engineering

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Engineering insurance product line, is disclosed in the table below:

Engineering - 2023	LRC		LIC	
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	182,120,245	0	230,520,184	412,640,430
Opening insurance contract assets	-	-	-	-
Net opening balance	182,120,245	0	230,520,184	412,640,430
Insurance revenue	557,197,800	-	-	557,197,800
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	421,530,794	421,530,794
Changes that relate to past service - adjustments to the LIC	-	-	(83,492,927)	(83,492,927)
Losses on onerous contracts and reversal of those losses	-	48,988,184	-	48,988,184
Insurance acquisition cashflows amortisation	37,566,875	-	-	37,566,875
Insurance service expenses	37,566,875	48,988,184	338,037,867	424,592,926
Insurance service result	519,630,925	(48,988,184)	(338,037,867)	132,604,874
Finance income (expenses) from insurance contracts issued			130,923,626	130,923,626
Total amounts recognised in comprehensive income	519,630,925	(48,988,184)	(207,114,241)	263,528,500
Investment components	-	-	146,281,720	146,281,720
Cash flows				-
Premiums received	1,089,347,981	-	-	1,089,347,981
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(421,530,794)	(421,530,794)
Insurance acquisition cashflows deducted	(96,674,995)			(96,674,995)
Total cash flows	*992,672,986*	-	*(275,249,074)*	*717,423,912*
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	*655,162,307*	*48,988,184*	*162,385,351*	*866,535,842*
Closing insurance contract liabilities	*655,162,307*	*48,988,184*	*162,385,351*	*866,535,842*
Closing insurance contract assets	-	-	-	-
Net closing balance	*655,162,307*	*48,988,184*	*162,385,351*	*866,535,842*

7.1.3. Engineering

Engineering - 2022	LRC	LIC		
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	238,799,712	-	149,687,309	388,487,021
Opening insurance contract assets	-	-	-	-
Net opening balance	238,799,712	-	149,687,309	388,487,021
Insurance revenue	770,064,156	-	-	770,064,156
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	251,268,921	251,268,921
Changes that relate to past service - adjustments to the LIC	-	-	71,198,330	71,198,330
Losses on onerous contracts and reversal of those losses	-	0	-	0
Insurance acquisition cashflows amortisation	30,469,608	-	-	30,469,608
Insurance service expenses	30,469,608	0	322,467,251	352,936,859
Insurance service result	739,594,548	(0)	(322,467,251)	417,127,297
Finance income (expenses) from insurance contracts issued			112,617,967	112,617,967
Total amounts recognised in comprehensive income	739,594,548	(0)	(209,849,284)	529,745,263
Investment components	-	-	122,252,511	122,252,511
Cash flows				-
Premiums received	694,967,128	-	-	694,967,128
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(251,268,921)	(251,268,921)
Insurance acquisition cashflows deducted	(12,052,047)			(12,052,047)
Total cash flows	682,915,081	-	(129,016,410)	553,898,672
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	182,120,245	0	230,520,184	412,640,430
Closing insurance contract liabilities	182,120,245	0	230,520,184	412,640,430
Closing insurance contract assets	-	-	-	-
Net closing balance	182,120,245	0	230,520,184	412,640,430

7.1.4. Marine

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for marine insurance product line, is disclosed in the table below:

Marine- 2023	LRC		LIC	
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	3,343,328	0	13,889,516	17,232,844
Opening insurance contract assets	-	-	-	-
Net opening balance	3,343,328	0	13,889,516	17,232,844
Insurance revenue	253,876,183	-	-	253,876,183
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	63,334,121	63,334,121
Changes that relate to past service - adjustments to the LIC	-	-	(3,477,715)	(3,477,715)
Losses on onerous contracts and reversal of those losses	-	-	-	-
Insurance acquisition cashflows amortisation	11,730,213	-	-	11,730,213
Insurance service expenses	11,730,213	-	59,856,406	71,586,619
Insurance service result	242,145,970	-	(59,856,406)	182,289,564
Finance income (expenses) from insurance contracts issued			36,498,289	36,498,289
Total amounts recognised in comprehensive income	242,145,970	-	(23,358,117)	218,787,853
Investment components	-	-	37,345,704	37,345,704
Cash flows				-
Premiums received	278,110,398	-	-	278,110,398
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(63,334,121)	(63,334,121)
Insurance acquisition cashflows deducted	(12,194,007)			(12,194,007)
Total cash flows	265,916,392	-	(25,988,417)	239,927,974
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	27,113,749	0	11,259,216	38,372,965
Closing insurance contract liabilities	27,113,749	0	11,259,216	38,372,965
Closing insurance contract assets	-	-	-	-
Net closing balance	**27,113,749**	**0**	**11,259,216**	**38,372,965**

7.1.4. Marine

Marine- 2022 Entries	LRC Excl Loss Component	LIC Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	12,096,217	0	3,809,102	15,905,319
Opening insurance contract assets	-	-	-	-
Net opening balance	12,096,217	0	3,809,102	15,905,319
Insurance revenue	205,940,311	-	-	205,940,311
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	52,201,805	52,201,805
Changes that relate to past service - adjustments to the LIC	-	-	9,850,537	9,850,537
Losses on onerous contracts and reversal of those losses	-	-	-	-
Insurance acquisition cashflows amortisation	11,338,391	-	-	11,338,391
Insurance service expenses	11,338,391	-	62,052,341	73,390,733
Insurance service result	194,601,919	-	(62,052,341)	132,549,578
Finance income (expenses) from insurance contracts issued			15,568,615	15,568,615
Total amounts recognised in comprehensive income	194,601,919	-	(46,483,726)	148,118,193
Investment components	-	-	15,798,492	15,798,492
Cash flows				-
Premiums received	197,578,219	-	-	197,578,219
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(52,201,805)	(52,201,805)
Insurance acquisition cashflows deducted	(11,729,190)			(11,729,190)
Total cash flows	185,849,030	-	(36,403,312)	149,445,717
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	3,343,328	0	13,889,516	17,232,844
Closing insurance contract liabilities	3,343,328	0	13,889,516	17,232,844
Closing insurance contract assets	-	-	-	-
Net closing balance	3,343,328	0	13,889,516	17,232,844

7.1.5. Guarantee

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for personal accident insurance product line, is disclosed in the table below:

Guarantee - 2023	LRC	LIC		
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	231,537,954	0	12,796,571	244,334,526
Opening insurance contract assets	-	-	-	-
Net opening balance	231,537,954	0	12,796,571	244,334,526
Insurance revenue	443,114,164	-	-	443,114,164
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	97,150,765	97,150,765
Changes that relate to past service - adjustments to the LIC	-	-	(2,254,830)	(2,254,830)
Losses on onerous contracts and reversal of those losses	-	0	-	0
Insurance acquisition cashflows amortisation	9,327,840	-	-	9,327,840
Insurance service expenses	9,327,840	0	94,895,934	104,223,774
Insurance service result	433,786,324	(0)	(94,895,934)	338,890,390
Finance income (expenses) from insurance contracts issued			44,729,519	44,729,519
Total amounts recognised in comprehensive income	433,786,324	(0)	(50,166,416)	383,619,908
Investment components	-	-	45,510,252	45,510,252
Cash flows				-
Premiums received	338,911,119	-	-	338,911,119
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(97,150,765)	(97,150,765)
Insurance acquisition cashflows deducted	(6,924,315)			(6,924,315)
Total cash flows	331,986,803	-	(51,640,512)	280,346,291
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	129,738,434	0	11,322,475	141,060,908
Closing insurance contract liabilities	129,738,434	0	11,322,475	141,060,908
Closing insurance contract assets	-	-	-	-
Net closing balance	129,738,434	0	11,322,475	141,060,908

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7.1.5. Guarantee

Guarantee - 2022 Entries	LRC Excl Loss Component	LIC Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	112,495,114	-	29,662,528	142,157,642
Opening insurance contract assets	-	-	-	-
Net opening balance	112,495,114	-	29,662,528	142,157,642
Insurance revenue	377,445,510	-	-	377,445,510
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	156,730,280	156,730,280
Changes that relate to past service - adjustments to the LIC	-	-	(18,656,075)	(18,656,075)
Losses on onerous contracts and reversal of those losses	-	0	-	0
Insurance acquisition cashflows amortisation	8,803,203	-	-	8,803,203
Insurance service expenses	8,803,203	0	138,074,205	146,877,407
Insurance service result	368,642,308	(0)	(138,074,205)	230,568,103
Finance income (expenses) from insurance contracts issued			103,417,880	103,417,880
Total amounts recognised in comprehensive income	368,642,308	(0)	(34,656,325)	333,985,983
Investment components	-	-	105,207,998	105,207,998
Cash flows				-
Premiums received	499,923,139	-	-	499,923,139
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(156,730,280)	(156,730,280)
Insurance acquisition cashflows deducted	(12,237,991)			(12,237,991)
Total cash flows	487,685,148	-	(51,522,281)	436,162,867
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	231,537,954	0	12,796,571	244,334,526
Closing insurance contract liabilities	231,537,954	0	12,796,571	244,334,526
Closing insurance contract assets	-	-	-	-
Net closing balance	231,537,954	0	12,796,571	244,334,526

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7.1.6. Accident

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for personal accident insurance product line, is disclosed in the table below:

Accident - 2023	LRC		LIC	
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	29,910,112	0	39,721,111	69,631,223
Opening insurance contract assets	-	-	-	-
Net opening balance	29,910,112	0	39,721,111	69,631,223
Insurance revenue	73,251,325	-	-	73,251,325
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	34,342,217	34,342,217
Changes that relate to past service - adjustments to the LIC	-	-	12,162,874	12,162,874
Losses on onerous contracts and reversal of those losses	-	5,587,083	-	5,587,083
Insurance acquisition cashflows amortisation	3,648,658	-	-	3,648,658
Insurance service expenses	3,648,658	5,587,083	46,505,091	55,740,832
Insurance service result	69,602,667	(5,587,083)	(46,505,091)	17,510,493
Finance income (expenses) from insurance contracts issued			7,835,500	7,835,500
Total amounts recognised in comprehensive income	69,602,667	(5,587,083)	(38,669,591)	25,345,993
Investment components	-	-	10,850,590	10,850,590
Cash flows				-
Premiums received	80,803,455	-	-	80,803,455
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(34,342,217)	(34,342,217)
Insurance acquisition cashflows deducted	(5,322,133)			(5,322,133)
Total cash flows	75,481,322	-	(23,491,627)	51,989,695
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	35,788,766	5,587,083	54,899,076	96,274,925
Closing insurance contract liabilities	35,788,766	5,587,083	54,899,076	96,274,925
Closing insurance contract assets	-	-	-	-
Net closing balance	35,788,766	5,587,083	54,899,076	96,274,925

7.1.6. Accident

Accident - 2022 Entries	LRC Excl Loss Component	Loss Component	LIC Incl Risk Adjustment	Total
Opening insurance contact liabilities	29,022,609	0	39,595,526	68,618,134
Opening insurance contract assets	-	-	-	-
Net opening balance	29,022,609	0	39,595,526	68,618,134
Insurance revenue	65,300,883	-	-	65,300,883
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	29,724,404	29,724,404
Changes that relate to past service - adjustments to the LIC	-	-	(2,263,984)	(2,263,984)
Losses on onerous contracts and reversal of those losses	-	-	-	-
Insurance acquisition cashflows amortization	2,621,324	-	-	2,621,324
Insurance service expenses	2,621,324	-	27,460,420	30,081,744
Insurance service result	62,679,560	-	(27,460,420)	35,219,140
Finance income (expenses) from insurance contracts issued			(241,437)	(241,437)
Total amounts recognized in comprehensive income	62,679,560	-	(27,701,857)	34,977,703
Investment components	-	-	2,148,133	2,148,133
Cash flows				-
Premiums received	65,755,368	-	-	65,755,368
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(29,724,404)	(29,724,404)
Insurance acquisition cashflows deducted	(2,188,305)			(2,188,305)
Total cash flows	63,567,063	-	(27,576,271)	35,990,792
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	29,910,112	0	39,721,111	69,631,223
Closing insurance contract liabilities	29,910,112	0	39,721,111	69,631,223
Closing insurance contract assets	-	-	-	-
Net closing balance	29,910,112	0	39,721,111	69,631,223

7.1.6. Liability

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for Liability insurance product line, is disclosed in the table below:

Liability - 2023	LRC		LIC	
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	38,736,361	0	22,034,339	60,770,700
Opening insurance contract assets	-	-	-	-
Net opening balance	38,736,361	0	22,034,339	60,770,700
Insurance revenue	119,278,363	-	-	119,278,363
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	56,666,810	56,666,810
Changes that relate to past service - adjustments to the LIC	-	-	22,011,102	22,011,102
Losses on onerous contracts and reversal of those losses	-	30,591,392	-	30,591,392
Insurance acquisition cashflows amortisation	4,530,509	-	-	4,530,509
Insurance service expenses	4,530,509	30,591,392	78,677,913	113,799,813
Insurance service result	114,747,854	(30,591,392)	(78,677,913)	5,478,550
Finance income (expenses) from insurance contracts issued			21,840,669	21,840,669
Total amounts recognised in comprehensive income	114,747,854	(30,591,392)	(56,837,243)	27,319,219
Investment components	-	-	23,422,232	23,422,232
Cash flows				-
Premiums received	174,423,444	-	-	174,423,444
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(56,666,810)	(56,666,810)
Insurance acquisition cashflows deducted	(4,707,855)			(4,707,855)
Total cash flows	169,715,588	-	(33,244,578)	136,471,010
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	93,704,095	30,591,392	45,627,004	169,922,491
Closing insurance contract liabilities	93,704,095	30,591,392	45,627,004	169,922,491
Closing insurance contract assets	-	-	-	-
Net closing balance	93,704,095	30,591,392	45,627,004	169,922,491

7.1.6. Liability

Liability - 2022	LRC		LIC	
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	57,009,225	0	20,180,691	77,189,916
Opening insurance contract assets	-	-	-	-
Net opening balance	57,009,225	0	20,180,691	77,189,916
Insurance revenue	216,543,468	-	-	216,543,468
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	58,686,709	58,686,709
Changes that relate to past service - adjustments to the LIC	-	-	635,753	635,753
Losses on onerous contracts and reversal of those losses	-	-	-	-
Insurance acquisition cashflows amortisation	11,483,525	-	-	11,483,525
Insurance service expenses	11,483,525	-	59,322,462	70,805,986
Insurance service result	205,059,943	-	(59,322,462)	145,737,481
Finance income (expenses) from insurance contracts issued			49,439,013	49,439,013
Total amounts recognised in comprehensive income	205,059,943	-	(9,883,448)	195,176,495
Investment components	-	-	50,656,908	50,656,908
Cash flows				-
Premiums received	199,099,510	-	-	199,099,510
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(58,686,709)	(58,686,709)
Insurance acquisition cashflows deducted	(12,312,431)			(12,312,431)
Total cash flows	186,787,079	-	(8,029,801)	178,757,279
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	38,736,361	0	22,034,339	60,770,700
Closing insurance contract liabilities	38,736,361	0	22,034,339	60,770,700
Closing insurance contract assets	-	-	-	-
Net closing balance	38,736,361	0	22,034,339	60,770,700

7.1.7. Miscellaneous

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for personal accident insurance product line, is disclosed in the table below:

Miscellaneous - 2023	LRC	LIC		
Entries	Excl Loss Component	Loss Component	Incl Risk Adjustment	Total
Opening insurance contact liabilities	568,170,830	2,063,781	146,446,502	716,681,112
Opening insurance contract assets	-	-	-	-
Net opening balance	568,170,830	2,063,781	146,446,502	716,681,112
Insurance revenue	1,851,762,814	-	-	1,851,762,814
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	1,060,109,407	1,060,109,407
Changes that relate to past service - adjustments to the LIC	-	-	179,754,433	179,754,433
Losses on onerous contracts and reversal of those losses	-	28,183,472	-	28,183,472
Insurance acquisition cashflows amortization	146,502,557	-	-	146,502,557
Insurance service expenses	146,502,557	28,183,472	1,239,863,840	1,414,549,869
Insurance service result	1,705,260,257	(28,183,472)	(1,239,863,840)	437,212,945
Finance income (expenses) from insurance contracts issued			240,197,294	240,197,294
Total amounts recognized in comprehensive income	1,705,260,257	(28,183,472)	(999,666,546)	677,410,239
Investment components	-	-	249,132,163	249,132,163
Cash flows				-
Premiums received	1,855,266,800	-	-	1,855,266,800
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(1,060,109,407)	(1,060,109,407)
Insurance acquisition cashflows deducted	(155,006,979)			(155,006,979)
Total cash flows	1,700,259,821	-	(810,977,243)	889,282,577
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	563,170,393	30,247,253	335,135,804	928,553,450
Closing insurance contract liabilities	563,170,393	30,247,253	335,135,804	928,553,450
Closing insurance contract assets	-	-	-	-
Net closing balance	563,170,393	30,247,253	335,135,804	928,553,450

7.1.7. Miscellaneous

Miscellaneous - 2022 Entries	LRC Excl Loss Component	Loss Component	LIC Incl Risk Adjustment	Total
Opening insurance contact liabilities	168,423,582	-	76,001,472	244,425,054
Opening insurance contract assets	-	-	-	-
Net opening balance	168,423,582	-	76,001,472	244,425,054
Insurance revenue	1,246,950,435	-	-	1,246,950,435
Insurance Service expenses	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	833,148,198	833,148,198
Changes that relate to past service - adjustments to the LIC	-	-	65,858,379	65,858,379
Losses on onerous contracts and reversal of those losses	-	2,063,781	-	2,063,781
Insurance acquisition cashflows amortization	221,551,896	-	-	221,551,896
Insurance service expenses	221,551,896	2,063,781	899,006,577	1,122,622,254
Insurance service result	1,025,398,539	(2,063,781)	(899,006,577)	124,328,181
Finance income (expenses) from insurance contracts issued			56,430,028	56,430,028
Total amounts recognized in comprehensive income	1,025,398,539	(2,063,781)	**(842,576,550)**	**180,758,208**
Investment components	-	-	61,016,678	61,016,678
Cash flows				-
Premiums received	1,685,418,374	-	-	1,685,418,374
Other charges	-	-		-
Claims and other directly attributable expenses paid	-	-	(833,148,198)	(833,148,198)
Insurance acquisition cashflows deducted	(260,272,587)			(260,272,587)
Total cash flows	**1,425,145,787**	-	(772,131,520)	**653,014,267**
Outstanding amounts transferred to LIC at end of cover	-	-	-	-
Net closing balance	**568,170,830**	**2,063,781**	**146,446,502**	**716,681,112**
Closing insurance contract liabilities	568,170,830	2,063,781	146,446,502	716,681,112
Closing insurance contract assets	-	-	-	-
Net closing balance	**568,170,830**	**2,063,781**	**146,446,502**	**716,681,112**

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7.2. Roll-forwards for reinsurance

The roll-forward of the net asset or liability for re insurance contracts held, showing the asset for remaining coverage and the asset for incurred claims for the company portfolios, are disclosed in the table below:

Year 2023-Reinsurance	LRC		LIC		
Entries	Excl Loss Component	Loss Component	Estimates of PVFC	Risk Adjustment for Non-Financial Risk	Total
Opening insurance contact liabilities	1,158,644,707	-	981,504,732	63,023,901	2,203,173,340
Opening insurance contract assets	-	-	-		-
Net opening balance	1,158,644,707	-	981,504,732	63,023,901	2,203,173,340
Insurance revenue	3,463,954,878	-	-		3,463,954,878
Insurance Service expenses	-	-	-		-
Incurred claims and other directly attributable expenses	-	-	1,576,917,226		1,576,917,226
Changes that relate to past service - adjustments to the LIC	-	-	(94,212,892)	(8,838,826)	(103,051,718)
Losses on onerous contracts and reversal of those losses	-	82,342,604	-		82,342,604
Insurance acquisition cashflows amortisation	1,048,940,230	-	-		1,048,940,230
Insurance service expenses	1,048,940,230	82,342,604	1,482,704,334	(8,838,826)	2,605,148,342
Insurance service result	2,415,014,648	(82,342,604)	(1,482,704,334)	8,838,826	858,806,535
Finance income (expenses) from insurance contracts issued			(66,180,590)	(6,932,629)	(73,113,219)
Total amounts recognised in comprehensive income	2,415,014,648	(82,342,604)	(1,548,884,924)	1,906,197	785,693,316
Investment components	-	-	-		-
Cash flows					-
Premiums received	4,071,449,137	-	-		4,071,449,137
Other charges	-	-			-
Claims and other directly attributable expenses paid	-	-	(1,576,917,226)		(1,576,917,226)
Insurance acquisition cashflows deducted	(1,341,816,161)				(1,341,816,161)
Total cash flows	2,729,632,976	-	(1,576,917,226)	-	1,152,715,749
Outstanding amounts transferred to LIC at end of cover	-	-	-		-
Net closing balance	1,473,263,035	82,342,604	953,472,430	61,117,705	2,570,195,773
Closing insurance contract liabilities	1,473,263,035	82,342,604	898,789,778	61,117,705	2,515,513,121
Closing insurance contract assets	-	-	-		-
Net closing balance	1,473,263,035	82,342,604	898,789,778	61,117,705	2,515,513,121

7.2. Roll-forwards for reinsurance (Continued)

Year 2022-Reinsurance	LRC		LIC		
Entries	Excl Loss Component	Loss Component	Estimates of PVFC	Risk Adjustment for Non-Financial Risk	Total
Opening insurance contact liabilities	834,518,320	-	819,983,161	52,478,922	1,706,980,403
Opening insurance contract assets	-	-	-		-
Net opening balance	834,518,320	-	819,983,161	52,478,922	1,706,980,403
Insurance revenue	3,311,117,469	-	-		3,311,117,469
Insurance Service expenses					
Incurred claims and other directly attributable expenses	-	-	1,420,222,145		1,420,222,145
Changes that relate to past service - adjustments to the LIC	-	-	51,328,750	4,772,298	56,101,048
Losses on onerous contracts and reversal of those losses	-	-	-		-
Insurance acquisition cashflows amortisation	1,056,491,451	-	-		1,056,491,451
Insurance service expenses	1,056,491,451	-	1,471,550,895	4,772,298	2,532,814,644
Insurance service result	2,254,626,019	-	(1,471,550,895)	(4,772,298)	778,302,825
Finance income (expenses) from insurance contracts issued			(55,510,169)	(5,772,681)	(61,282,850)
Total amounts recognised in comprehensive income	2,254,626,019	-	(1,527,061,064)	(10,544,979)	717,019,975
Investment components	-	-	-		-
Cash flows					
Premiums received	3,744,871,129	-	-		3,744,871,129
Other charges	-	-			-
Claims and other directly attributable expenses paid	-	-	(1,365,539,493)		(1,365,539,493)
Insurance acquisition cashflows deducted	(1,166,118,724)			-	(1,166,118,724)
Total cash flows	2,578,752,405	-	(1,365,539,493)		1,213,212,912
Outstanding amounts transferred to LIC at end of cover	-	-	-		-
Net closing balance	1,158,644,707	-	981,504,732	63,023,901	2,203,173,340
Closing insurance contract liabilities	1,158,644,707	-	981,504,732	63,023,901	2,203,173,340
Closing insurance contract assets	-	-	-		-
Net closing balance	1,158,644,707	-	981,504,732	63,023,901	2,203,173,340

8. Insurance Revenue

	2023 Rwf'000	2022 Rwf'000
Contracts measured under PAA		
Written Premium	14,667,898	11,554,568
PAA Measurements-Gross	(1,897,651)	-
Insurance Revenue	12,770,247	11,554,568

9. Insurance Service Expenses

	2023 Rwf'000	2022 Rwf'000
Actual Claims and Expenses	7,540,732	7,218,993
Amortization of insurance acquisition cashflows	751,976	829,375
Losses on onerous contracts and reversals on those losses	185,020	2,067
Changes to liabilities for incurred claims	685,671	162,763
Insurance Service Expenses	9,163,399	8,213,198

10. Allocation of Reinsure premium

	2023 Rwf'000	2022 Rwf'000
Reinsurance contracts measured under PAA - 2022	(3,463,955)	(3,311,117)
Premium ceded	4,071,449	3,311,117
PAA Measurements-Cession	(629,282)	-
Reinsurance premium	3,442,167	3,311,117
Recoveries		
Actual Claims recoveries	1,559,759	1,420,222
Amortization of Reinsurance acquisition cashflows	960,299	1,056,491
Losses on onerous contracts and reversals on those losses	82,343	-
Changes to liabilities for incurred claims	(82,449)	61,415
	2,519,952	2,538,129
Net Expense from reinsurance contracts held	(944,004)	(772,988)

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10. IFRS 17 allows entities to select one of the following presentation options:

Present the income or expenses from a group of reinsurance contracts held, other than insurance finance income or expenses as a single amount, or;

Present separately the amounts to be recovered from the reinsurer and allocation of the premium paid that together give a net amount equal to that single amount. The company has elected to present the amount recoverable from the reinsurer and an allocation of the premium paid separately. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from the reinsurer

11 Interest and dividend income

	2023 Rwf'000	2022 Rwf'000
Interest on term Deposit	594,273	516,222
Interest on Governments Bonds	1,138,055	889,428
Interest From corporate Commercial paper and Bond	229,281	155,227
Impairments loss on financial assets	-	
Interest on current Account	13,697	14,596
Other interest	(5,646)	
Total Investment Income	1,969,660	1,575,473
Loss on financial asset*	(27,331)	0
Net Interest and Dividend income	1,942,329	1,575,473

The loss on financial asset are in line with the requirements of IFRS 9 and the consideration are taken from the risk charges on the financial in determination the charge in risk capital.

12. Insurance Finance Expense for insurance contracts issued:

	2023 Rwf'000	2022 Rwf'000
Interest accreted to insurance contracts using current financial assumptions:		
Interest accreted to insurance contracts using locked in rate:		
Due to changes in interest rates and other financial assumptions:	-	-
Net foreign exchange income (expenses)	-	-
Insurance finance expenses from insurance contracts issued	(263,303)	(199,545)

13. Reinsurance Finance Income for reinsurance contracts held

	2023 Rwf'000	2022 Rwf'000
Interest accreted to reinsurance contracts held using current financial assumptions:		
Changes in non-performance risk of reinsurer		
Net foreign exchange income (expense)		
Reinsurance finance income from reinsurance contracts held	73,113	55,968

14. Other Income

	2023 Rwf'000	2022 Rwf'000
Policy Fees	83,686	72,890
Other Income	70,184	30,606
Total Other Income	153,870	103,496

15. Current Income Tax Expenses

The tax rate has been changed from 30% to 28%. The law enacting the new rate has been gazetted

In September 2023. Hence a prorate computation for 270 days at 30% and 95 days at 28%.

	2023 Rwf'000	2022 Rwf'000
Current Income Tax Charge	1,435,247	1,238,898
Deferred Income tax credit	(27,458)	(32,917)
	1,407,789	1,205,981
Profit before income tax	4,568,854	3,972,285
Tax Calculated on 270 days at 30% and 95 days at 28%	1,346,873	1,191,685
Tax effect of:		
Expenses not deductible for tax purpose	88,374	47,213
Income tax expense	1,435,247	1,238,898

16. Equipment and motor vehicles

31 December 2023	IT equipment Rwf'000	Motor vehicle Rwf'000	Furniture & fittings Rwf'000	TOTAL Rwf'000
Cost:				
At 1 January 2023	160,091	331,014	125,217	616,322
Additions	32,126	86,192	8,978	127,296
At 31 December 2023	192,216	417,206	134,196	743,618
Acc. depreciation:				
At 1 January 2023	131,729	199,969	17,891	349,589
Charge for the year	4,916	95,495	27,386	127,797
Total Acc Depreciation at 31 Dec 2023	136,645	295,464	45,277	477,386
Net Book Value 31 Dec 2023	55,571	121,742	88,918	266,232

16.	IT equipment	Motor vehicle	Furniture & fittings	TOTAL
31 December 2022				
Cost:				
At 1 January 2022	149,204	275,543	106,976	531,722
Additions	10,887	55,471	18,241	84,599
At 31 December 2022	160,091	331,014	125,217	616,321
Acc. depreciation:				
At 1 January 2022	126,868	167,643	10,733	305,244
Charge for the year		32,326	7,158	44,344
Total Acc Depreciation as at 31 Dec 2022	131,728	199,969	17,891	349,588
Net Book Value as at 31 Dec 2022	28,362	131,045	107,326	266,733

17. Intangible assets

Cost:	2023 Rwf'000	2022 Rwf'000
At 1 January	338,456	261,807
Work in progress	51,100	76,649
At 31 December	389,556	338,456
Acc. depreciation:		
At 1 January	128,311	88,804
Charge for the year	26,181	39,509
At 31 December	154,492	128,311
Net Book Value	235,064	210,144

18. Right of Use Assets and Lease Liability

18(a). Lease Liability

	2023 Rwf'000	2,022 Rwf'000
At 1 January	614,634	709,530
Interest for the period	103,266	109,443
Termination of lease	(4,240)	-
Actual payment	(186,000)	(204,339)
Closing balance	527,660	614,634

18(b). Right of Use Asset

	2023 Rwf'000	2,022 Rwf'000

At 1 January	698,292	698,292
Additions	-	-
Disposal due to termination of lease	(24,006)	-
At 31 December	674,286	698,292
Accumulated amortization	674,286	0
At 1 January	126,086	10,274
Charge of the Year	112,381	115,812
Disposal due to termination of lease	(13,705)	
At 31 December 2023	224,762	126,086
Closing balance	449,524	572,206

19. Deferred Tax asset

Deferred income tax is calculated using the new enacted tax rate of 28% at 95 days and the existing rate of 30% for 270 days

December 2023	1-Jan-23	Credit/Debit to P&L	2023
Deferred income tax asset relates to			
Staff Bonus	62,991	8,038	71,029
Expected credit losses on financial assets	25,640	8,198	33,838
Provision for impairments	44,702	11,222	55,924
Deferred Income tax asset	133,333	27,458	160,791

December 2022	1-Jan-22	Credit/Debit to P&L	2022
Deferred income tax asset relates to			
Staff Bonus	48,776	14,215	62,991
Expected credit losses on financial assets	25,488	152	25,640
Provision for impairments	26,151	18,551	44,702
Deferred Income tax asset	100,415	32,918	133,333

20. Insurance Contract asset

	2023 Rwf'000	2022 Rwf'000
Premium receivables	4,983,721	3,089,480
Subrogation	314,237	152,308
Impairments	(186,413)	(149,005)
Insurance Contract Assets	5,111,545	3,092,783

21 Reinsurance Contract asset**

	2023 Rwf'000	2022 Rwf'000
Reinsurance share in LRC	1,473,263	1,158,645

Reinsurance share in LIC	898,790	981,505
Risk adjustments	61,118	63,024
Loss components	82,343	
Reinsurance contract assets	2,515,513	2,203,173

**** For details disclosure refer to note 7.2-Roll forward for reinsurance**

22. Other Receivables

	2023 Rwf'000	2022 Rwf'000
Prepayments	65,406	
Cash guarantee with bank	41,571	39,377
VAT Recoverable*	-	326,602
Other	(1,167)	72,866
Other Receivables	105,810	438,845

VAT recoverable-The recovery assessment has been done and the management is in view that an amount of Rwf 188 Million to be written off. These related to overpayment of VAT done from period 2018 to 2022.

23. Investment in Term deposits

	2023 Rwf'000	2022 Rwf'000
Bank of Kigali	2,000,000	1,100,000
Cogebanque	500,000	500,000
I&M Bank	1,400,000	1,400,000
Bank of Africa	500,000	500,000
Equity Bank Rwanda	1,900,000	1,900,000
Aguka	700,000	200,000
BPR	800,000	
Total term deposit	7,800,000	5,600,000
Add: Interest receivable		
As at the start of the year	356,178	185,286
Interest income during the year	594,273	516,223
Interest received during the year	(534,244)	(345,331)
Total interest receivable	416,207	356,178
Less: Expected credit losses	(27,909)	(23,463)
Carrying amount	8,188,298	5,932,715

24. Investment in Securities

	2023 Rwf'000	2022 Rwf'000
Treasury Bonds		
As at the start of the year	8,824,239	6,024,270
Addition during the year	1,203,152	2,799,969

Disposal during the year	-	-
Total Treasury Bonds	10,027,391	8,824,239
Add: Interest receivable		
As at the start of the year	263,017	212,604
Interest income during the year	1,138,055	889,428
Interest received during the year	(1,099,420)	(839,016)
Total interest receivable	301,652	263,017
Less: Expected credit losses	(51,645)	(45,436)
Carrying amount	10,277,399	9,041,819
Commercial Paper / Horizon Group		
As at the start of the year	278,000	278,000
Addition during the year	842,074	278,000
disposal during the year		(278,000)
Total Commercial paper	1,120,074	278,000
Add: Interest received in advance		
As at the start of the year	(5,865)	(5,797)
Interest income during the year	104,281	30,512
Interest received during the year	(120,074)	(30,580)
Total interest received in advance	(21,658)	(5,865)
Less: Expected credit losses	(22,397)	(5,549)
Carrying amount	1,076,019	266,587
Total Securities	11,353,418	9,308,406
Long term Corporate Bond /(CVL)	1,000,000	1,000,000
Less: Expected credit losses	(10,208)	(10,208)
	989,792	989,792

Investment in Securities

	2023 Rwf'000	2022 Rwf'000
Add Interest receivable		
As at the start of the year	104,795	105,080
Interest income during the year	125,000	124,715
Interest received during the year	(125,000)	(125,000)
Total interest receivable	104,795	104,795
Carrying amount	1,094,586	1,094,587
Total investments in securities	12,448,004	10,402,992

25. Cash and Bank balances

	2023 Rwf'000	2022 Rwf'000
Cash and bank balances	225,577	256,248
Less: Excess credit loss	(637)	(808)
	224,940	255,440

26. Income Tax Payable

	2023 Rwf'000	2022 Rwf'000
Opening Balance	211,177	360,654
Income tax for the period	1,451,285	1,238,898
Utilised tax asset	(240,581)	(209,919)

Income tax payments during the year	(1,353,755)	(1,178,456)
Current income tax payable	68,126	211,177

27. Creditors arising from reinsurance & Subrogation arrangements

	2023 Rwf'000	2022 Rwf'000
Reinsures payables		
ZEP-RE	194,133	273,029
Africa-RE	267,428	384,522
Kenya-RE	46,352	2,800
GHANA REINSURANCE COMPANY LIMITED	35,875	24,274
KLAPTON INSURANCE COMPANY LIMITED	-	17,828
WAICA REINSURANCE KENYA LIMITED	75,111	47,995
MAPFRE	15,343	10,427
CONTINENTAL	79,489	3,797
SOCIÉTÉ COMMERCIALE GABONAISE DE RÉASSURANCE	40,558	-
Total Reinsurers	754,288	764,674
Coinsurers		
SONARWA-COMESA	27,328	69,775
BRITAM INSURANCE CO (RWANDA) LTD	24,226	3,293
MUA INSURANCE	35,156	-
PRIME INSURANCE LTD	52,728	10,290
RADIANT INSURANCE CO LTD	44,708	39,948
OLD MUTUAL Rwanda	40,135	36,980
SANLAM	15,773	-
MAYFAIR	32,148	6,800
Total Coinsurer	272,201	167,087
Total coinsurance and Reinsurance Payables	1,026,489	931,761

28. Other payables

	2023 Rwf'000	2022 Rwf'000
Suppliers Account	43,790	86,159
TECHNICAL SERVICE PROVIDERS	-	23,662
STAFF OR EMPLOYEES ACCOUNTS	-	209,971
Accrued Expenses	286,043	
PAYE	67,457	61,877
Other Governments Payables	9,323	-
RSSB PAYABLES	23,696	21,913
SPECIAL GUARANTEE FUND DUES	25,742	4,312
BRD STUDENT LOAN RECOVERY	-	168
COMP PENSION SCHEME	1,735	-
SELF COMMITMENT DEDUCTION (RPF)	-	2,084
STAFF SOCIAL ASSISTANCE FUND	-	1,386
OTHER CREDITORS	793,534	245,142
VAT PAYABLE	(80,842)	-
Intercompany Balance	2,595	
Cash collateral held*	756,489	423,027
Dividend Payable	790,266	-
Total	1,926,835	1,079,702

29. Share capital

	% Holding	2023 Rwf'000	2022 Rwf'000
BK Group	70%	2,100,000	2,100,000
SWAN Group	30%	900,000	900,000

	3,000,000	3,000,000

The Authorized share capital of the company are Rwf 5 billion of Rwf 1000 each. The share capital issued and paid are Rwf 3 billion.

30. Related parties' transactions

The company is controlled by BK Group Plc incorporated in Rwanda. There are other companies that are related to BK Insurance company Limited through common shareholdings or common directorships.

The following transactions were carried out with related parties:

a) Investments with related parties

	2023 Rwf"000"	2022 Rwf"000"
Bank of Kigali Plc*	2,173,835	1,234,862
BK Capital (Aguka fund)	731,338	206,796
	2,905,173	1,441,658

*__Bank of Kigali Plc__ is a sister company as well as the primary Banker. The deposit with related parties is included in the respective financial statement captions on the face of the statement of financial position as follows:

Term Deposits	2,071,299	1,134,196
Cash and bank balances	102,536	100,667
Total	2,173,835	1,234,862

Interest Income with related party	2023 Rwf"000	2022 Rwf"000
Bank of Kigali Plc	71,299	102,907
		102,907

c) Related Party Balance

	2023 Rwf"000	2022 Rwf"000
BK Tech	2,595	-
	2,595	-

c) Directors and Key management Remunerations

	2023 Rwf"000	2022 Rwf"000
Directors fees	44,514	47,571
Key Managements staff(EXCO)	628,873	608,000
	673,387	655,571

31. Contingent liabilities

In common with the insurance industry, the company is subject to litigation arising in the normal course of insurance business. No provision has been made in these financial statements as all pending litigations at the year-end were related to claims outstanding which have been provided for

32. Event after reporting

No event after reporting that may need a disclosure happen.

SOLVENCY MARGIN AS AT 31/12/2023

I.Required Solvency	Amount (Rwf'000)
Gross premium less reinsurance ceded last preceding year	7,312,251
Solvency margin Required:20% of previous year net premium or Rwf 1 000 million whichever is greater	1,462,450
Compliance with Solvency Margin	
Total Assets	29,724,692
Less: Non-Admitted Assets as per II.A,7	3,708,166
less: Deductions for assets subject to maximum admissible %as per II.B,7	2,149,727
Admitted Assets I.3 less I.4 and I.5	23,866,800
Less Admitted Liabilities as per III.C,3	16,524,123
Solvency margin Available (1,6 less 1,7)	7,342,677
Excess or Deficiency of solvency required (I.8 less I.2)	**5,880,226**
Solvency Coverage Ratio (I.8 divided by I.2)	502.1%

II. A. Non-Admitted Assets	
Intangible Assets	235,064
Exposures (loans & Investments) to connected persons	-
Loans to insurance intermediaries overdue for more than 6 months	-
Reinsurance receivables overdue for more than 6 months	-
Loans and other receivables overdue for more than 2 months	3,407,697
Deferred expenses, deferred taxes and prepayments	65,406
Total Non-Admitted Assets (add 11,A,1 to 7)	**3,708,166**

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II.B Assets Subject to Maximum Admissible Percentages	Amount A	Admissible%	Deductions
Investment in equities, Listed	-	85%	-
Investment in equities, unlisted	-	70%	-
Investment in debt securities	2,139,579	70%	641,874
Investment in properties	-	80%	-
Receivables from reinsurer which are not overdue	-	90%	-
All other Assets (Total assets less II.A & II.B 1,2,3)	23,876,948		
Less:			
(-) Cash	224,940		
(-) Deposit Balances	8,188,298		
(-) Government securities	12,448,004		
(b) All other assets subject to maximum %	3,015,706	50%	1,507,853
Total Deductions (add II.B,1,2,3 and 4e)			**2,149,727**

III.C, Admitted Liabilities	Amount on B/sheet A	Additional percentage factor 10%	Admitted liabilities (A plus A*B°
Technical Provisions	**11,081,983**	**1,108,198**	**12,190,181**
Unearned premium	6,472,895	647,289	7,120,184
Unexpired risk	187,087	18,709	205,795
Outstanding claims	3,620,894	362,089	3,982,984
IBNR	801,107	80,111	881,218
Other provisions	-	-	-
All other liabilities (Total liabilities-less Technical provisions)	**4,333,942**	-	4,333,942
Total Admitted Liabilities	**15,415,925**		**16,524,123**

Lease Schedule

Loan amount	674,286,220	
Rate		18.00%
Term	71	
Payments per Year	12	

Reporting date	Payment date	Beginning Balance	Monthly payments	Principal	Interest	Closing balance	Depreciation	NBV
							(9,365,086)	664,921,134
31-Jan-22								
28-Feb-22	1	674,286,220	(15,500,000)	(5,385,707)	(10,114,293)	668,900,513	(9,365,086)	655,556,047
31-Mar-22	2	668,900,513	(15,500,000)	(5,466,492)	(10,033,508)	663,434,021	(9,365,086)	646,190,961
30-Apr-22	3	663,434,021	(15,500,000)	(5,548,490)	(9,951,510)	657,885,531	(9,365,086)	636,825,874
31-May-22	4	657,885,531	(15,500,000)	(5,631,717)	(9,868,283)	652,253,814	(9,365,086)	627,460,788
30-Jun-22	5	652,253,814	(15,500,000)	(5,716,193)	(9,783,807)	646,537,622	(9,365,086)	618,095,702
31-Jul-22	6	646,537,622	(15,500,000)	(5,801,936)	(9,698,064)	640,735,686	(9,365,086)	608,730,615
31-Aug-22	7	640,735,686	(15,500,000)	(5,888,965)	(9,611,035)	634,846,721	(9,365,086)	599,365,529
30-Sep-22	8	634,846,721	(15,500,000)	(5,977,299)	(9,522,701)	628,869,422	(9,365,086)	590,000,443
31-Oct-22	9	628,869,422	(15,500,000)	(6,066,959)	(9,433,041)	622,802,463	(9,365,086)	580,635,356
30-Nov-22	10	622,802,463	(15,500,000)	(6,157,963)	(9,342,037)	616,644,500	(9,365,086)	571,270,270
31-Dec-22	11	616,644,500	(15,500,000)	(6,250,332)	(9,249,668)	610,394,168	(9,365,086)	561,905,183
31-Jan-23	12	610,394,168	(15,500,000)	(6,344,087)	(9,155,913)	604,050,080	(9,365,086)	552,540,097
28-Feb-23	13	604,050,080	(15,500,000)	(6,439,249)	(9,060,751)	597,610,831	(9,365,086)	543,175,011
31-Mar-23	14	597,610,831	(15,500,000)	(6,535,838)	(8,964,162)	591,074,994	(9,365,086)	533,809,924
30-Apr-23	15	591,074,994	(15,500,000)	(6,633,875)	(8,866,125)	584,441,119	(9,365,086)	524,444,838
31-May-23	16	584,441,119	(15,500,000)	(6,733,383)	(8,766,617)	577,707,736	(9,365,086)	515,079,751
30-Jun-23	17	577,707,736	(15,500,000)	(6,834,384)	(8,665,616)	570,873,352	(9,365,086)	505,714,665
31-Jul-23	18	570,873,352	(15,500,000)	(6,936,900)	(8,563,100)	563,936,452	(9,365,086)	496,349,579
31-Aug-23	19	563,936,452	(15,500,000)	(7,040,953)	(8,459,047)	556,895,499	(9,365,086)	486,984,492
30-Sep-23	20	556,895,499	(15,500,000)	(7,146,568)	(8,353,432)	549,748,931	(9,365,086)	477,619,406
31-Oct-23	21	549,748,931	(15,500,000)	(7,253,766)	(8,246,234)	542,495,165	(9,365,086)	468,254,319
30-Nov-23	22	542,495,165	(15,500,000)	(7,362,573)	(8,137,427)	535,132,593	(9,365,086)	458,889,233
31-Dec-23	23	535,132,593	(15,500,000)	(7,473,011)	(8,026,989)	527,659,582	(9,365,086)	449,524,147
31-Jan-24	24	527,659,582	(15,500,000)	(7,585,106)	(7,914,894)	520,074,475	(9,365,086)	440,159,060
29-Feb-24	25	520,074,475	(15,500,000)	(7,698,883)	(7,801,117)	512,375,592	(9,365,086)	430,793,974
31-Mar-24	26	512,375,592	(15,500,000)	(7,814,366)	(7,685,634)	504,561,226	(9,365,086)	421,428,888
30-Apr-24	27	504,561,226	(15,500,000)	(7,931,582)	(7,568,418)	496,629,645	(9,365,086)	412,063,801
31-May-24	28	496,629,645	(15,500,000)	(8,050,555)	(7,449,445)	488,579,089	(9,365,086)	402,698,715

30-Jun-24	29	488,579,089	(15,500,000)	(8,171,314)	(7,328,686)	480,407,776	(9,365,086)	393,333,628
31-Jul-24	30	480,407,776	(15,500,000)	(8,293,883)	(7,206,117)	472,113,892	(9,365,086)	383,968,542
31-Aug-24	31	472,113,892	(15,500,000)	(8,418,292)	(7,081,708)	463,695,601	(9,365,086)	374,603,456
30-Sep-24	32	463,695,601	(15,500,000)	(8,544,566)	(6,955,434)	455,151,035	(9,365,086)	365,238,369
31-Oct-24	33	455,151,035	(15,500,000)	(8,672,734)	(6,827,266)	446,478,300	(9,365,086)	355,873,283
30-Nov-24	34	446,478,300	(15,500,000)	(8,802,825)	(6,697,175)	437,675,475	(9,365,086)	346,508,196
31-Dec-24	35	437,675,475	(15,500,000)	(8,934,868)	(6,565,132)	428,740,607	(9,365,086)	337,143,110
31-Jan-25	36	428,740,607	(15,500,000)	(9,068,891)	(6,431,109)	419,671,716	(9,365,086)	327,778,024
28-Feb-25	37	419,671,716	(15,500,000)	(9,204,924)	(6,295,076)	410,466,792	(9,365,086)	318,412,937
31-Mar-25	38	410,466,792	(15,500,000)	(9,342,998)	(6,157,002)	401,123,794	(9,365,086)	309,047,851
30-Apr-25	39	401,123,794	(15,500,000)	(9,483,143)	(6,016,857)	391,640,650	(9,365,086)	299,682,764
31-May-25	40	391,640,650	(15,500,000)	(9,625,390)	(5,874,610)	382,015,260	(9,365,086)	290,317,678
30-Jun-25	41	382,015,260	(15,500,000)	(9,769,771)	(5,730,229)	372,245,489	(9,365,086)	280,952,592
31-Jul-25	42	372,245,489	(15,500,000)	(9,916,318)	(5,583,682)	362,329,171	(9,365,086)	271,587,505
31-Aug-25	43	362,329,171	(15,500,000)	(10,065,062)	(5,434,938)	352,264,109	(9,365,086)	262,222,419
30-Sep-25	44	352,264,109	(15,500,000)	(10,216,038)	(5,283,962)	342,048,071	(9,365,086)	252,857,333
31-Oct-25	45	342,048,071	(15,500,000)	(10,369,279)	(5,130,721)	331,678,792	(9,365,086)	243,492,246
30-Nov-25	46	331,678,792	(15,500,000)	(10,524,818)	(4,975,182)	321,153,974	(9,365,086)	234,127,160
31-Dec-25	47	321,153,974	(15,500,000)	(10,682,690)	(4,817,310)	310,471,283	(9,365,086)	224,762,073
31-Jan-26	48	310,471,283	(15,500,000)	(10,842,931)	(4,657,069)	299,628,352	(9,365,086)	215,396,987
28-Feb-26	49	299,628,352	(15,500,000)	(11,005,575)	(4,494,425)	288,622,778	(9,365,086)	206,031,901
31-Mar-26	50	288,622,778	(15,500,000)	(11,170,658)	(4,329,342)	277,452,119	(9,365,086)	196,666,814
30-Apr-26	51	277,452,119	(15,500,000)	(11,338,218)	(4,161,782)	266,113,901	(9,365,086)	187,301,728
31-May-26	52	266,113,901	(15,500,000)	(11,508,291)	(3,991,709)	254,605,610	(9,365,086)	177,936,641
30-Jun-26	53	254,605,610	(15,500,000)	(11,680,916)	(3,819,084)	242,924,694	(9,365,086)	168,571,555
31-Jul-26	54	242,924,694	(15,500,000)	(11,856,130)	(3,643,870)	231,068,564	(9,365,086)	159,206,469
31-Aug-26	55	231,068,564	(15,500,000)	(12,033,972)	(3,466,028)	219,034,593	(9,365,086)	149,841,382
30-Sep-26	56	219,034,593	(15,500,000)	(12,214,481)	(3,285,519)	206,820,112	(9,365,086)	140,476,296
31-Oct-26	57	206,820,112	(15,500,000)	(12,397,698)	(3,102,302)	194,422,413	(9,365,086)	131,111,209
30-Nov-26	58	194,422,413	(15,500,000)	(12,583,664)	(2,916,336)	181,838,749	(9,365,086)	121,746,123
31-Dec-26	59	181,838,749	(15,500,000)	(12,772,419)	(2,727,581)	169,066,331	(9,365,086)	112,381,037
31-Jan-27	60	169,066,331	(15,500,000)	(12,964,005)	(2,535,995)	156,102,326	(9,365,086)	103,015,950
28-Feb-27	61	156,102,326	(15,500,000)	(13,158,465)	(2,341,535)	142,943,861	(9,365,086)	93,650,864
31-Mar-27	62	142,943,861	(15,500,000)	(13,355,842)	(2,144,158)	129,588,018	(9,365,086)	84,285,778
30-Apr-27	63	129,588,018	(15,500,000)	(13,556,180)	(1,943,820)	116,031,839	(9,365,086)	74,920,691
31-May-27	64	116,031,839	(15,500,000)	(13,759,522)	(1,740,478)	102,272,316	(9,365,086)	65,555,605
30-Jun-27	65	102,272,316	(15,500,000)	(13,965,915)	(1,534,085)	88,306,401	(9,365,086)	56,190,518
31-Jul-27	66	88,306,401	(15,500,000)	(14,175,404)	(1,324,596)	74,130,997	(9,365,086)	46,825,432

31-Aug-27	67	74,130,997	(15,500,000)	(14,388,035)	(1,111,965)	59,742,962	(9,365,086)	37,460,346
30-Sep-27	68	59,742,962	(15,500,000)	(14,603,856)	(896,144)	45,139,106	(9,365,086)	28,095,259
31-Oct-27	69	45,139,106	(15,500,000)	(14,822,913)	(677,087)	30,316,193	(9,365,086)	18,730,173
30-Nov-27	70	30,316,193	(15,500,000)	(15,045,257)	(454,743)	15,270,936	(9,365,086)	9,365,086
31-Dec-27	71	15,270,936	(15,500,000)	(15,270,936)	(229,064)	0	(9,365,086)	0
Total (s)			**(1,100,500,000)**	**(674,286,220)**	**(426,213,780)**	**27,739,965,779**	**(674,286,220)**	

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OF ORIGINAL
Date: 02/04/2024
EY RWANDA SKS
Ernst & Young Rwanda Ltd