

SANLAM ALLIANZ GENERAL INSURANCE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

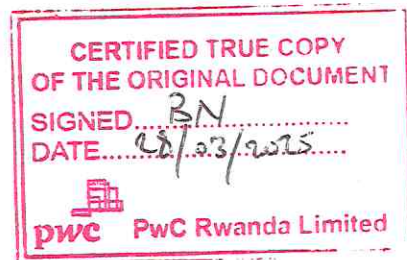


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Sanlam Allianz General Insurance Plc
Corporate information
For the year ended 31 December 2024

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Sanlam Allianz General Insurance Plc
Corporate information
For the year ended 31 December 2024

LEGAL

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(Continued)

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Certified Public Accountants
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P.O Box 1495
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Bank of Kigali plc
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Cogebanque Plc
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Access Bank Rwanda plc
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Development Bank of Rwanda plc
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BPR Bank (Rwanda) Plc
KN 67 St
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Banque Populaire du Rwanda Plc
Headquarter
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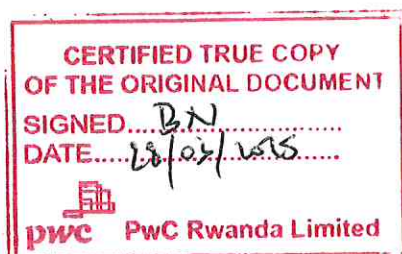
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Grand Pension Plaza Building
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Guaranty Trust Bank Rwanda Plc
20 Boulevard de la Revolution
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NCBA Bank Rwanda plc
Kigali Heights, 8th floor
P.O Box 6774
Kigali, Rwanda



Sanlam Allianz General Insurance Plc
Directors' Report
For the year ended 31 December 2024

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of Sanlam Allianz General Insurance Plc (the "Company").

PRINCIPAL ACTIVITIES

The Company is a short term insurance company. It was established in year 2010 as an independent insurance company in order to comply with the Law No. 52/2008 of 10/09/2008 which obliges insurance companies to split short term and long term activities. The Company continued to provide general business insurance cover for short term insurance during the year.

RESULTS AND DIVIDEND

Profit for the year of Frw 356,930,000 (2023: Frw 797,549,000) which has been applied to accumulated losses. The Directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: Nil).

DIRECTORS

The Directors who held office during the year and to the date of this report were: /

No	Names	Status	Nationality	Appointment dates
1	Mr. SHUMBUSHO R. Vianney	Independent	Rwandan	June 1, 2016
2	Mr. HABIMANA Jose	Independent	Rwandan	March 13, 2018
3	Mr. KAYITARE Celestin	Independent	Rwandan	March 14, 2019
4	Mrs. Linda KALIMBA MULENGA	Independent	Rwandan	May 26, 2021
5	Mrs Anita KAGENZA	Independent	Rwandan	September 27, 2021
6	Mr Tinashe GARAPO	SEM representative	Zimbabwean	September 27, 2021
7	Mr Abdellatif MOUAD	SEM Representative	Morocco	February 20, 2023

SHAREHOLDERS

SEM (Sanlam Emerging Markets PTY Limited) with 62.72%, Sanlam Rwanda Limited with 30.69% and Colina Holdings Limited with 6.59% of the Company's total issued ordinary share capital.

AUDITOR

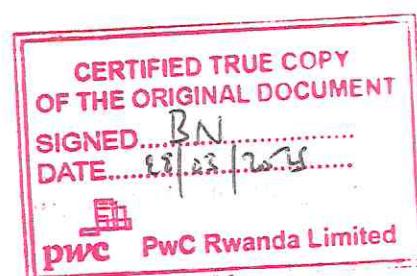
The auditors, PricewaterhouseCoopers Rwanda Limited have expressed their willingness to continue in office in accordance with the law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30/03/2023.

The directors have the power to amend and re-issue the financial statements.

By Order of the Board

Company Secretary

25. March 2025



**Sanlam Allianz General Insurance Plc
Statement of Corporate Governance
For the year ended 31 December 2024**

Sanlam Allianz General Insurance Plc is committed to the best principles of Corporate Governance in running the operations of a company. The Company ensures compliance with all the rules, regulations and laws of the land in the conduct of its business. The company is administered in pursuit of earning credibility in the market and increasing value for the stakeholders. The decision making and powers are exercised with integrity, responsibility, accountability, and transparency.

Board of Directors

The Directors who served during the year ended 31 December 2024 and up to the date of this report are listed on Page 3.

Though the overall responsibility of monitoring and controlling the operational and financial performance of SANLAM Allianz General Insurance Plc vests with the board of Directors, the day-to-day management of the company has been delegated to the Chief Executive Officer.

Board Meetings and Attendance

In 2024, the attendance at Board meetings is set out below:

Name	Independence	Attendance	Term of office
Mr. SHUMBUSHO R. Vianney	Independent	4	2 nd Term
Mr. HABIMANA Jose	Independent	4	2 nd Term
Mr KAYITARE Celestin	Independent	4	2 nd Term
Mrs. Linda KALIMBA MULENGA	Independent	4	2 nd Term
Mrs. Anita KAGENZA	Independent	4	2 nd Term
Mr. Tinashe GARAPO	Non independent	4	2 nd Term
Mr Abdellatif MOUAD	Non independent	3	1 st Term

The Board of Directors meets at least quarterly and is chaired by a non-executive director.

Board Committees

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

Board Audit Committee

The Board Audit Committee comprises of the Chairman who is non-executive Director, a non-executive director and one executive director. Its key objective is to assist the Board in providing an independent review of the effectiveness of the financial reporting process and internal control system of Sanlam Allianz General Insurance Plc. It reviews the performance and findings of the Group Internal Audit and Compliance function and recommends appropriate remedial action at least quarterly. The external and internal auditors of the Company shall have free access to the Board Audit Committee. The Auditors can request the Chairperson of the Committee to convene a meeting to consider any matter that the auditors believe should be brought to the attention of Directors or shareholders. In 2024, the Board Audit Committee members and attendance of meetings is set out below:

Names	Independence	Number of meetings held	Number of meetings attended
Mr HABIMANA Jose (Chairman)	Non-executive Director	4	4
Mrs Anita KAGENZA	Non-executive Director	4	4
Mr Abdellatif MOUAD	Executive Director	4	3

The Audit Committee meets at least quarterly and is chaired by a non-executive director.



Statement of Corporate Governance (continued)

Board Underwriting and Claims strategy committee

The Board Underwriting and Claims Strategy Committee comprises of the Chairman, one non-executive Director and one Executive Director. Its key objective is to assist and recommend strategic underwriting and claims initiatives to the Board, review and oversee the overall underwriting and claims policy, review underwriting and claims policies made by senior management and assist the board with discharging its responsibility to review the quality of the underwriting and claims policies and procedures.

In 2024, the Board Underwriting and Claims Strategy Committee members and attendance of meetings is set out below:

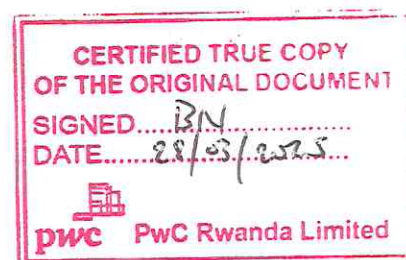
Name	Independence	Number of meetings held	Number of meetings attended
Mr. KAYITARE Celestin (Chairman)	Non-executive Director	4	4
Mr. SHUMBUSHO R. Vianney	Non-executive director	4	4
Mr. Tinashe GARAPO	Executive director	4	4

Board Risk Management Committee

The Board Risk Management Committee comprises of the Chairman and two non-executive Directors. Its key objective is to oversee the Risk Management Policy of the company. It meets quarterly to monitor developments relating to the practice of corporate accountability, providing independent and objective oversight, and reviewing the information presented by management on corporate accountability and associated risks.

In 2024, the Board Risk Management Committee members and attendance of meetings is set out below:

Name	Independence	Number of meetings held	Number of meetings attended
Mrs. Linda KALIMBA MULENGA (Chairperson)	Non-executive Director	4	4
Mr. HABIMANA Jose	Non-executive Director	4	4
Mr. KAYITARE Celestin	Non-executive Director	4	4



**Sanlam Allianz General Insurance Plc
Statement of Directors' Responsibilities
For the year ended 31 December 2024**

The Directors are responsible for the preparation of financial statements that give a true and fair view of Sanlam Allianz General Insurance Plc. The financial statements are set out on pages 13 to 92 and comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory information, in accordance with IFRS Accounting Standards and in the manner required by Law no. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

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

The independent auditor is responsible for reporting on whether, based on their audit, the annual financial statements give a true and fair view in accordance with the IFRS Accounting Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

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

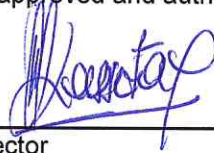
Approval of annual financial statements

The financial statements of Sanlam Allianz General Insurance Plc were approved and authorised for issue by the Board of Directors on ..28.. March 2025.

Director

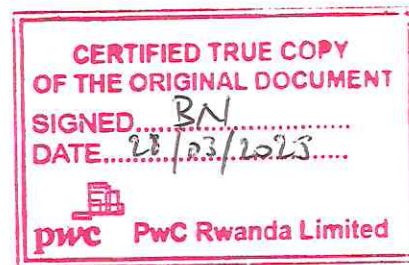


Director



Chief Executive Officer





INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANLAM ALLIANZ GENERAL INSURANCE PLC

Report on the audit of the financial statements

Our opinion

In our opinion, financial statements give a true and fair view of the financial position of Sanlam Allianz General Insurance Plc (the "Company") as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

What we have audited

Sanlam Allianz General Insurance Plc's financial statements as set out in pages 12 to 87 comprise:

- the statement of financial position as at 31 December 2024;
- the statements of comprehensive income;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are Independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

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

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Directors: L Akindede P Frobisher M Karanja B Kimacia P Ngahu B Ngunjiri

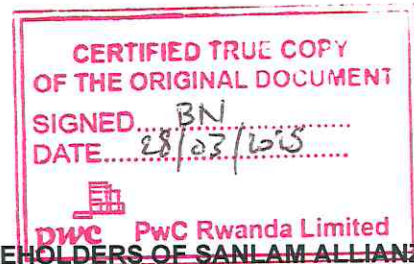


**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANLAM ALLIANZ
GENERAL INSURANCE PLC**

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities</p> <p>We considered insurance contract liabilities as a key audit matter because:</p> <ul style="list-style-type: none"> The estimation of the liability for incurred claims involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. In addition, the liabilities are adjusted for the time value of money based on historical settlement patterns. Judgement is applied in estimating this future settlement pattern and in determination of the discount rate. Determination of liability for incurred claims requires calculation of risk adjustment for non-financial risk which represents the compensation for bearing the uncertainty about the timing and amount of the risk insured. This calculation involves significant judgement in determining the confidence level and assumption that future development of claims will follow past patterns. For onerous contracts, calculation of loss component involves judgment in estimating fulfilment cashflows relating to the remaining coverage period of insurance contracts. 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 and involve engagement of actuarial experts. 	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> Evaluated and tested controls around claims handling, settling, and reserving, Tested a sample of claim payments and reserves to confirm the amounts recorded in the claims systems agree to the source data, Tested the appropriateness of the methodology and assumptions used by the external actuary and management in estimation of reserves as at 31 December 2024 and performed rejections for a sample of reserves to validate estimates, Tested management's calculation of the discount rate used to compute the present value of liability for incurred claims, Tested the methodology and assumptions used by management in estimating the risk adjustment, Reconciled the claims data used by management to calculate reserves to the audited claims data, and Assessed the adequacy of disclosures in the financial statements.





INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANLAM ALLIANZ GENERAL INSURANCE PLC

Other information

The directors are responsible for the other information. The other information comprises Directors' Report, Statement of Corporate Governance, Statement of Directors' Responsibilities and Appendix 1 on other disclosures which we obtained prior to the date of this auditor's report, and the other information that will be included in the integrated report which is expected to be made available to us after that date but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

When we read the other information that will be included in the integrated report, if we conclude that there is material misstatement there in, we are required to communicate the matter to directors.

Responsibilities of the directors for the financial statements

Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023, and for such internal control as directors determine 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, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANLAM ALLIANZ GENERAL INSURANCE PLC

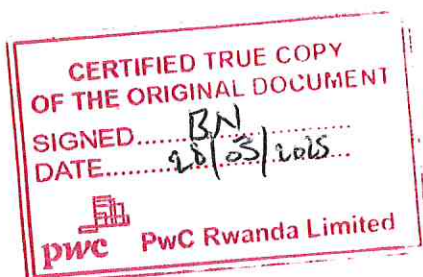
Auditor's responsibilities for the audit of the financial statements (continued)

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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





**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANLAM ALLIANZ
GENERAL INSURANCE PLC**

Report on other legal and regulatory requirements

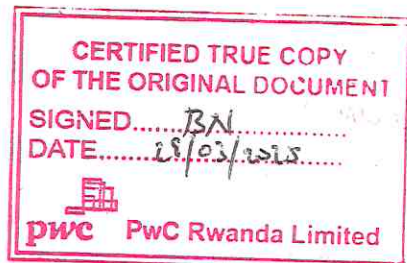
Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i. We have no relationship, interest, or debt with Sanlam Allianz General Insurance Plc. As indicated in our report on the financial statements, we have complied with the required ethical requirements. These are the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) which includes comprehensive independence and other requirements,
- ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, and
- iv. According to the best of the information and the explanations given to us as auditor, as shown by the accounting and other documents of the Company, the annual accounts comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

For PricewaterhouseCoopers Rwanda Limited, Kigali,

Brian Ngunjiri
Director

28 March 2025



STATEMENT OF COMPREHENSIVE INCOME

Frw '000

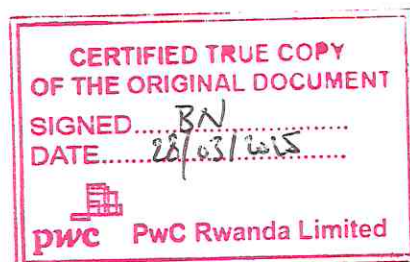
	Note	2024	2023
Insurance revenue	4	27,553,670	24,199,807
Insurance service expenses	4	(18,570,857)	(14,714,216)
Net expenses from reinsurance contracts held	4	(4,549,378)	(3,702,190)
Insurance service result		4,433,435	5,783,401
Interest revenue from financial assets not measured at FVTPL	5	1,827,806	1,238,928
Investment income	5	343,201	441,444
Net gains on FVTPL equity investments	9	465,694	924,808
Net loss from fair value adjustments to investment properties	9	(101,447)	(41,297)
Net credit impairment losses	3	(707,366)	(865,295)
Net investment income		1,827,888	1,698,588
Finance expenses from insurance contracts issued	5	(593,063)	(603,869)
Finance income from reinsurance contracts held	5	125,469	165,377
Net insurance finance expenses		(467,594)	(438,492)
Net insurance and investment result		5,793,729	7,043,497
Other income	6	257,953	603,975
Other operating expenses	8	(5,200,041)	(5,120,702)
Profit before income tax		851,641	2,526,770
Income tax expense		(494,711)	(1,729,221)
Profit for the year		356,930	797,549
Other comprehensive income			
<i>Items that will not be reclassified</i>			
Gain on revaluation of building	10	58,317	304,588
Total comprehensive income for the year		415,247	1,102,137



Frw '000

STATEMENT OF FINANCIAL POSITION

	Note	2024	2023
Assets			
Cash and cash equivalents	17	5,799,439	7,675,345
Short term deposits	13	10,390,962	8,521,560
Government securities at amortised cost	13	6,252,440	4,343,132
FVTPL equity investments	13	5,375,250	4,909,556
Reinsurance contract assets	7	2,828,780	5,660,225
Due from related parties	15	444,449	164,548
Other assets	14	2,513,242	1,515,945
Intangible assets	11	82,188	96,877
Investment properties	12	5,329,715	5,431,161
Property and equipment	10	3,137,702	3,139,560
Total assets		42,154,167	41,457,909
Liabilities			
Current income tax	16	424,974	904,511
Due to related parties	15	24,062	45,821
Other liabilities	19(a)	1,742,662	2,519,244
Insurance contract liabilities	7	19,243,947	17,881,589
Provisions	19(b)	644,564	461,724
Deferred income tax	16	1,552,990	1,539,299
Total liabilities		23,633,199	23,352,188
Equity			
Share capital	18	7,956,851	7,956,851
Share premium	18	4,963,273	4,963,273
Revaluation reserves		3,461,874	3,403,558
Other reserves	18	4,541,805	4,541,805
Accumulated losses		(2,402,836)	(2,759,766)
Total equity		18,520,968	18,105,721
Total equity and liabilities		42,154,167	41,457,909



Sanlam Allianz General Insurance Plc
Annual Report and Financial Statements
For the year ended 31 December 2024

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OF THE ORIGINAL DOCUMENT
SIGNED: B.N.I.
DATE: 18/03/2025
PwC Rwanda Limited

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023


	Share Capital Frw'000	Share premium Frw'000	Revaluation reserves Frw'000	Other reserves Frw'000	Accumulated losses Frw'000	Total Frw'000
At January 2023	7,956,851	4,963,273	3,098,970	4,541,805	(3,557,315)	17,003,584
Comprehensive income for the year:						
Profit for the year	-	-	-	-	797,549	797,549
<i>Other comprehensive income:</i>						
Revaluation surplus	-	-	304,588	-	-	304,588
Total comprehensive income for the year	-	-	304,588	-	797,549	1,102,137
At 31 December 2023	7,956,851	4,963,273	3,403,558	4,541,805	(2,759,766)	18,105,721

Year ended 31 December 2024

	Share Capital Frw'000	Share premium Frw'000	Revaluation reserves Frw'000	Other reserves Frw'000	Accumulated losses Frw'000	Total Frw'000
At January 2024	7,956,851	4,963,273	3,403,558	4,541,805	(2,759,766)	18,105,721
Comprehensive income for the year:						
Profit for the year	-	-	-	-	356,930	356,930
<i>Other comprehensive income:</i>						
Revaluation surplus	-	-	58,317	-	-	58,316
Total comprehensive income for the year	-	-	58,317	-	356,930	415,247
At 31 December 2024	7,956,851	4,963,273	3,461,875	4,541,805	(2,402,836)	18,520,968

STATEMENT OF CASH FLOWS

Cash flows from operating activities	Note	2024 Frw'000'	2023 Frw'000'
Profit for before income tax		851,641	2,526,770
Adjustments for:			
Depreciation	10	130,289	132,459
Amortisation	11	24,581	49,163
Fair value gains on investments	9	(465,694)	(924,808)
Fair value adjustment to investment properties	9	101,446	41,297
Write off on property and equipment	10	245	8,204
Impairment charge/(credit) on government securities	3	20,445	(8,831)
Impairment charge on short term investments	3	30,152	36,790
Impairment charge on reinsurance arrangements	3	426,549	166,875
Impairment charge on coinsurance arrangements	3	55,813	288,176
Impairment charge on direct insurance arrangements	3	239,131	56,038
Gain on disposal of property and equipment		(4,361)	-
Rental income	5	(257,799)	(363,212)
Interest received	5	(1,827,806)	(1,238,928)
Dividend received	5	(85,402)	(78,232)
Changes in working capital assets/liabilities			
Reinsurance contract assets		2,349,083	2,389,578
Due from related parties		(279,901)	164,412
Other assets		(791,097)	664,708
Due to related parties		(21,759)	2,644
Other liabilities		(982,782)	269,453
Insurance contract liabilities		1,123,226	(389,604)
Provisions		182,840	277,306
Income tax paid		(960,557)	(179,252)
Net cash (used in)/ from operating activities		(141,717)	3,891,006
Cash flows from investing activities			
Purchase of government securities		(1,929,753)	-
Short term investments		(1,899,554)	(5,144,115)
Proceeds from sale of subsidiary		-	772,158
Proceeds from disposal of property and equipment		5,383	-
Purchase of property and equipment	10	(71,381)	(26,732)
Purchase of intangible assets	11	(9,892)	(28,197)
Interest received		1,827,606	1,238,928
Rent received		257,799	363,212
Dividends from joint associates		85,402	78,232
Net cash outflow from investing activities		(1,734,190)	(2,746,514)
Net (decrease)/increase in cash and cash equivalents during the year		(2,079,014)	1,014,013
Cash and cash equivalents – Start of year		7,675,346	6,530,853
Cash and cash equivalents – End of year		5,799,439	7,675,346

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OF THE ORIGINAL DOCUMENT
 SIGNED.....RN.....
 DATE.....28/03/2025.....
 **PwC Rwanda Limited**

1 General information

Sanlam Allianz General Insurance Plc (the "Company") is a public limited company by shares registered and domiciled in Rwanda. The Company's registered office is at :

Sanlam Allianz General Insurance Plc
KN3, Av, Boulevard de la Révolution
P.O Box 924 Kigali
1st Floor, Sanlam Building
Kigali, Rwanda

2 Basis of preparation and accounting policies

2.1 Basis of preparation

(i) Compliance with IFRS Accounting Standards

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards and the requirement of Law No. 007/2021 of 05 February 2021 governing companies as amended by Law No. 019/2023 of 30/03/2023. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis except for certain classes of property and equipment, and investment property – measured at fair value or revalued amount.

(iii) Functional and presentation currency

These financial statements are presented in Rwandan francs, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand (Frw '000') except when otherwise indicated.

(iv) New standards, amendments and interpretations

a) *New and amended standards adopted by the Company*

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

Number	Effective date	Executive summary
IFRS 16 – Leases	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.



2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iv) New standards, amendments and interpretations (continued)

a) New and amended standards adopted by the Company (continued)

Number	Effective date	Executive summary
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual periods beginning on or after 1 January 2024 (Published October 2022)	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
IAS 7 and IFRS 7 on Supplier finance arrangements	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some entities' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
IFRS General Requirements for Disclosure of Sustainability-related Financial Information	S1: Reporting periods beginning on or after 1 January 2024. (Published June 2023)	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS Climate-related Disclosures	S2: Reporting periods beginning on or after 1 January 2024. (Published June 2023)	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS 16 Leases	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.



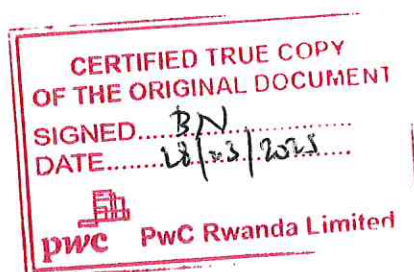
2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iv) New standards, amendments and interpretations (continued)

b) *New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2024*

Number	Effective date	Executive summary
Amendments to IAS 21 - Lack of Exchangeability	Annual periods beginning on or after 1 January 2025 (early adoption is available) (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (early adoption is available) (Published May 2024)	These amendments: <ul style="list-style-type: none"> • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027 (Published April 2024)	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: <ul style="list-style-type: none"> • the structure of the statement of profit or loss. • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.



2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

v) Significant judgements and estimates

The preparation of financial statements under IFRS 17 requires the use of accounting estimates which, by definition, will seldom equal the actual results.

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 circumstances.

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the financial statements.

a) Significant judgements and estimates in applying IFRS 17

i) Judgements in applying IFRS 17

Area of judgement

- For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA,

The eligibility assessment as required by IFRS 17 involves significant judgement.

- Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts.

Judgement has been applied on:

- paragraph 17 of IFRS 17 – the determination of contract sets within portfolios and whether the Company has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, as required by paragraph 16 of IFRS 17; and
- paragraphs 18 and 19 of IFRS 17 – judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

Judgement applied

Policy duration is determined as the term from first inception until policy expiration date. The calculation is done on reserving class - cohort level. If the percentage of policies count and/or Gross written premium (GWP) with durations greater than 1 year is greater than 10%, a materiality check is performed.

If the policies identified in the above steps contributes more than 5% of premium, it is considered material, and this test indicates that PAA presumption will not be applied. Non-motor was the only line of business with policies over 1 year accounting 7.75% of non-motor GWP which is below the 10% threshold. Furthermore, policies identified were below the second 5% materiality threshold (2.5%) thus PAA was used.

Motor is onerous, hence an additional loss component approximated by the AURR calculation for 2022, 2023 and 2024.



2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

v) Significant judgements and estimates (continued)

a) Significant judgements and estimates in applying IFRS 17 (continued)

i) Judgements in applying IFRS 17 (continued)

Area of judgement

- *For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.*

Judgement applied

For groups that have become onerous an Additional Unexpired Risk Reserve has been raised for 3 years; 2022, 2023 and 2024.

- *The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract within the scope of IFRS 17. Judgements might be involved to determine when the Group is capable of repricing the entire contract to reflect the reassessed risks, when policyholders are obliged to pay premiums, and when premiums reflect risks beyond the coverage period.*

Contract boundaries are defined between inception and expiry date (coverage period) in addition to the payment pattern which translates the obligation of the insurer to fulfil their commitment. However, once a contract is expired, the insurer has the ability to reprice the entire contract including all its options and guarantees.

Where features such as options and guarantees are included in the insurance contracts, judgement might be required to assess the entity's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

- *An entity can use judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts.*



2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

v) Significant judgements and estimates (continued)

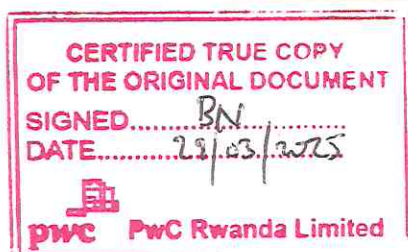
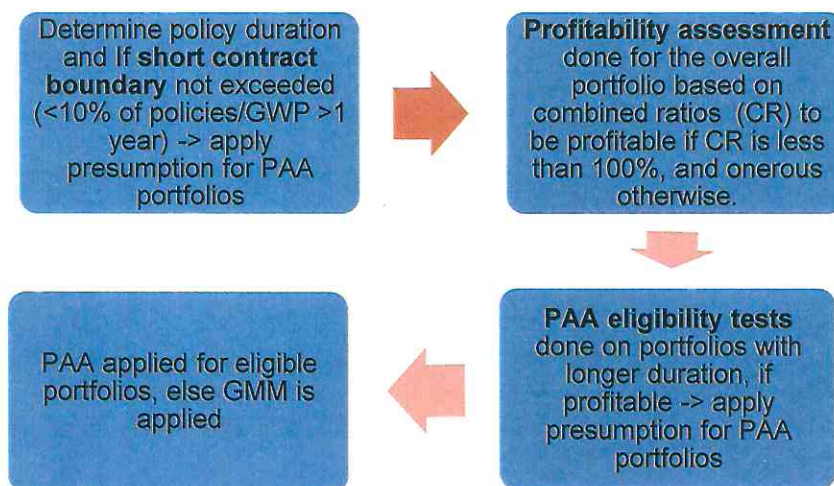
(i) Methods used and judgements applied in determining the IFRS 17 transitions amounts

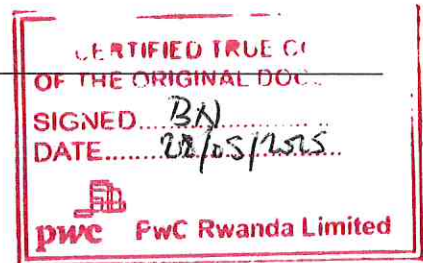
The Company has adopted full retrospective approach. The Company has determined that reasonable and supportable information was available for all contracts in force at the transition date that were issued within three years prior to the transition.

IFRS17 defines three measurement models (i.e., General Measurement approach “GMM”, Variable Fee Approach “VFA” and Premium Allocation Approach “PAA”) that are used to measure contracts based on the features of the contract. VFA is not applicable to non-Life business. Two approaches are therefore considered for Sanlam Assurances Generales. The inputs needed and criteria for choosing between the two are summarised in the table below.

Premium Allocation Approach (PAA)	
When to use	Policy durations less than 1 year (see testing process below)
Grouping of contracts	<ul style="list-style-type: none"> • Line of business • and cohort year determined by year of first inception or first underwriting (whichever is last), • and profitability based on combined ratio.
Fulfilment cash flows - ratios	UPR -> use as opening and closing balances. DAC -> amortisation of insurance acquisition cash flows.
Fulfilment cash flows - patterns	Assume a constant rate / level run-off over the coverage period.
Discount Rate	PAA is not discounted.
Risk Adjustment	Value at risk approach (VAR) was used with 75th percentile level of confidence. The bootstrap methodology (a statistical resampling technique) was used to derive the probability distribution (to get to the 75th percentile).

As the PAA is similar to the existing approach used for IFRS4, it will be the preferred method. GMM will only be used if it is deemed necessary to do so. Below is the testing process to be followed to determine which method to apply (performed annually).





2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

v) Significant judgements and estimates (continued)

a) Significant judgements and estimates in applying IFRS 17 (continued)

ii) *Methods used and judgements applied in determining the IFRS 17 transitions amounts (continued)*

Policy Duration

Policy duration is determined as the term from first inception until policy expiration date. The calculation is done on reserving class - cohort level. If the percentage of policies count and/or Gross written premium (GWP) with durations greater than 1 year is greater than 10%, a materiality check was performed.

If the policies identified in the above steps contributes more than 5% of premium, it is considered material, and this test indicates that presumption will not be applied

iii) *Estimates and assumptions in applying IFRS 17*

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates.

The approach followed was based on data available at the time of evaluation. The specific methodology is outlined in section B of the report for each entity. The following is noted on the methodology followed to determine the best estimate results:

Standard actuarial techniques were applied – a combination of the

- Chain Ladder (CL),
- Bornhuetter Ferguson (BF) and
- Loss Ratio (LR) approach was used.

More detail for each of the above listed methods follows in the table below:

- i) Development factors used was a selection between:
 - Arithmetic which refers to the average of all the individual development factors of each development period.
 - Volume – which refers to the weighted average and of all the individual development factors of each development period.
 - Last N years averages – which refers to the weighted average for last N years as specified.
- ii) Year to year development was modelled using Paid data only (for gross and net claims).
- iii) Paid triangles were used to develop to ultimate expected losses. This was done for gross and net unless data was unreliable.
- iv) Inflation was not explicitly modelled.
- v) Salvages and recoveries have not been explicitly modelled but has been considered in the claim amounts.
- vi) Gross and net losses have been modelled separately – the difference therefore implies the impact of reinsurance.
- vii) Large claims have been excluded from the triangles (when applicable) and then added back to the ultimate projected attritional losses.

The payment patterns calculated by the selected development factors used for the best estimates were also used for claims cashflow projections. This was also done for Net losses to ensure a consistent approach to determine the timing of cashflows.



2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

a) Significant judgements and estimates in applying IFRS 17 (continued)

iii) Estimates and assumptions in applying IFRS 17 (continued)

- *Methods used to measure the risk adjustment for non-financial risk*

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion.

The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The bootstrap method was used to derive the overall risk adjustment for non-financial risk.

The risk adjustment is a component of the measurement of insurance contracts for both liabilities, for incurred claims, and liabilities for remaining coverage. The risk adjustment represents compensation for bearing the uncertainty about the amount and timing in the estimated cash flows, reflecting the cost of bearing the financial risk associated with fulfilling the insurance contracts.

There are three generally accepted approaches to calculating risk adjustments:

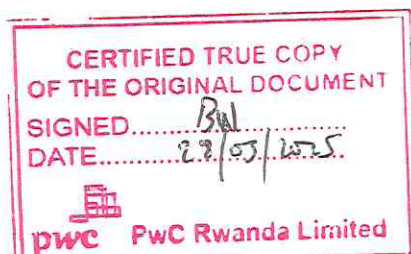
- Value at Risk approach (VAR);
- Cost of capital approach;
- Margin approach.

The VAR approach was followed as it was practical and relatively easy to calculate and explain. It targets a confidence level as output. The 75th percentile was chosen as the level reflecting the level of confidence required by Group for the transition.

The bootstrap methodology (a statistical resampling technique) was used to derive the probability distribution (to get to the 75th percentile).

The below outlines the steps followed to perform the bootstrap. Using this approach means that past actual claims development is thus used to inform future claims runoff distributions. The bootstrap module is built in the Sanlam in-house reporting tool, TM1.

Step 1: Paid Triangle	The starting point is the cumulative and incremental triangles.
Step 2: Fitted Triangle	The triangles are then completed using the assumed development – the past is adjusted to match the development pattern, using latest paid as the starting point. This triangle is called the fitted payments.
Step 3: Residuals	The dataset used for the Bootstrap is then the Residuals between the incremental fitted payments and the incremental actual payments.



2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

a) Significant judgements and estimates in applying IFRS 17 (continued)

iii) Estimates and assumptions in applying IFRS 17 (continued)

Resampling with Replacement Create many (1000 or 10000) new Residuals datasets by randomly selecting observations from the created Residuals dataset.

For each run, a new payments dataset is created by adding the selected Residuals to the actual payments.

The new payments dataset is then used to calculate development factors and the triangle is developed to ultimate.

This then informs the total reserve estimate.

Note that the development factors are different from those chosen when using the original model.

The distribution used is Poisson. During the bootstrap module implementation in TM1, the Development team (VennCubbed) could not find an equivalent of PoiRnd in TM1. The consensus between the actuaries was that it is possible to use a Rand Function instead (i.e., approximately Random Function can replace the Poisson Random Variable which is theoretically correct and was done just in the interest of ease of calculation).



Sample Statistics Calculate the statistic of interest (e.g., mean, variance, regression coefficients, etc.) of the new reserve values.

Estimate Sampling Distribution: The distribution of these statistics across the many resampled datasets provides an empirical approximation of the sampling distribution of the statistic.

Confidence Intervals and Standard Errors: Use the empirical distribution to construct confidence intervals and estimate standard errors for the statistic.

The scaled to mean rate equivalent to the 75th Value at Risk, is then used as the RA to be applied to the best estimate results.

The simulations were run at a reserving class level which is also the level at which triangles are aggregated and analysed.

- The 75th percentile was chosen as the level reflecting the level of confidence required by Group for the transition. This may be refined in consequent calibration exercises.
- Due to time constraints, the transition was run at 1000 simulations in some cases, which will be explicitly disclosed in section B (testing was run to check deviation materiality between 10 000 and 1000 simulations and outcomes shown no material differences).

2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

a) Significant judgements and estimates in applying IFRS 17 (continued)

iii) Estimates and assumptions in applying IFRS 17 (continued)

- Margins were calibrated on an individual basis which results in a more prudent view than allowing for the benefit of diversification.

The same margin was used for gross and net (and by implication reinsurance). This may not allow sufficiently for the reduction in risk associated with risk transfer (to the reinsurer). This can be considered to give a more prudent result for Net losses, which will be used to mitigate for the effect of non-performance

- (default risk) by the issuer of the reinsurance contract.

Future refinements will be calibrated outside of the reporting cycle (this is common for non-financial assumption setting).

- Methods used to measure Property and Casualty contracts

The Company estimates insurance liabilities in relation to claims incurred for automobile insurance separately for property damage and third-party liability coverage and for major products. Estimates are performed on an accident year basis.

The most common methods used to estimate property damage claims incurred are the chain-ladder and the Bornhuetter-Ferguson methods methods, which are the industry standard for this type of claim.

The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed, to produce an estimated ultimate claims cost for each accident year. The chain-ladder technique is the most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. The chain-ladder technique is less suitable in cases in which the Company does not have a developed claims history for a particular type of claim.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure, such as gross or reinsurance premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined, using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (that is, in relation to recent accident years or new products).

The Company has not changed the methods used to estimate incurred claims in 2024.



2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

a) Significant judgements and estimates in applying IFRS 17 (continued)

iii) Estimates and assumptions in applying IFRS 17 (continued)

- Methods used to measure Property and Casualty contracts (continued)

In its claims incurred assessments, the Company uses internal and market data. Internal data is derived mostly from the Company's claims reports. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims. Market data consists of inflation projections, large claims threshold, large claims quantity, market claims ratios and other.

- *Estimates of future cash flows to fulfil insurance contracts*

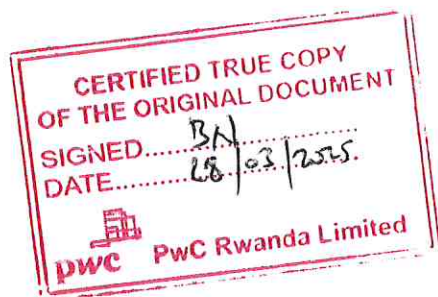
Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on

- Liability for remaining Coverage (LFRC):
- Liability for Incurred Claims (LIC):

1.1. Best Estimate Claims Reserves

The approach followed was based on data available at the time of evaluation. The following is noted on the methodology followed to determine the best estimate results:

- Standard actuarial techniques were applied – a combination of the
 - Chain Ladder (CL),
 - Bornhuetter Ferguson (BF) and
 - Loss Ratio (LR) approach was used.





2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

a) Significant judgements and estimates in applying IFRS 17 (continued)

iii) Estimates and assumptions in applying IFRS 17 (continued)

Sensitivity (continued)

	2024				2023			
	LIC as at 31 December	Impact on LIC	Impact on profit before income tax	Impact on equity	LIC as at 31 December	Impact on LIC	Impact on profit before income tax	Impact on equity
	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'	Frw '000'
Insurance contract liabilities	19,165,973	-	-	-	16,908,654	-	-	-
Reinsurance contract assets	(2,828,780)	-	-	-	(4,687,291)	-	-	-
Net insurance contract liabilities	16,337,193	-	-	-	12,221,363	-	-	-
Unpaid claims and expenses – 5% increase:								
Insurance contract liabilities		533,140	533,140	533,140		845,433	845,433	596,876
Reinsurance contract assets		(141,439)	(141,439)	(141,439)		(234,365)	(234,365)	(165,462)
		391,701	391,701	391,701		611,068	611,068	431,414

The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. No changes were made by the Company in the methods and assumptions used in preparing the above analysis.

b) Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

c) Valuation of investment property

Investment property comprises leasehold land and buildings and is measured at fair value. Fair value is based on valuations performed every year by an independent valuation expert. In performing the valuation, the valuer obtains the market value of similar properties and compares with the carrying value of the investment property. Given that the valuer uses actual sales data obtained from the market in performing the valuation, any changes in the market interest rates or rental income would not result in any significant change in the carrying value of investment property.

2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

d) Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

e) Valuation of investment property

Investment property comprises leasehold land and buildings and is measured at fair value. Fair value is based on valuations performed every year by an independent valuation expert. In performing the valuation, the valuer obtains the market value of similar properties and compares with the carrying value of the investment property. Given that the valuer uses actual sales data obtained from the market in performing the valuation, any changes in the market interest rates or rental income would not result in any significant change in the carrying value of investment property.

2.2 Accounting policies

The principal accounting policies applied 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 measurement

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value on each reporting date.

Item	Measurement bases
Investment in equities	Fair value
Investment property	Fair value

(b) Comparative information

The comparative information used in this report are financial statements of Sanlam Allianz General Insurance Plc for the financial year ended 31 December 2023.

(c) Foreign currency translation

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 recognised in the Statement of comprehensive income. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the available-for-sale reserve in equity.





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts

Summary of measurement approaches

The Company uses different measurement approaches, depending on the type of contract, as follows:

	Product classification	Measurement model
Contracts issued		
Motor	Insurance contracts	PAA for policies issued
Medical	Insurance contracts	PAA for policies issued
Non-motor	Insurance contracts	PAA for policies issued (following the decision tree described in the basis document)

Reinsurance contracts held

Same classification as inward business

i) Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts, and they follow financial instruments accounting under IFRS 9.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued or acquired, and reinsurance contracts held unless specifically stated otherwise.

ii) Unit of account

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

When identifying contracts in the scope of IFRS 17 in some cases, the Company will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components must be separated and accounted for under another standard.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

ii) Unit of account (continued)

For insurance and reinsurance contracts, the Company does not expect significant changes arising from the application of these requirements.

The Company does not hold any investment contracts with DPFs or services that need to be separated or accounted for under another standard.

Insurance contracts were grouped according to their risk characteristics as determined by the line of business as well as their cohort, taken as the maximum between the year of issue and first inception year.

For some evaluations where a larger number of observations (than were available by product) were required, product lines were grouped together. This applies to development triangles that were used to estimate expected development, payment patterns and risk adjustments.

For other contracts measured using the PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a policyholder-pricing-groups level.

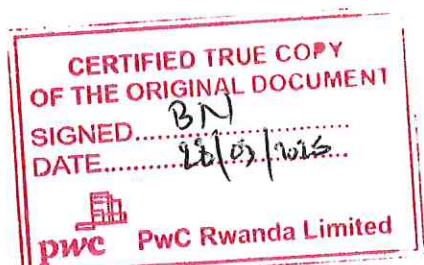
Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

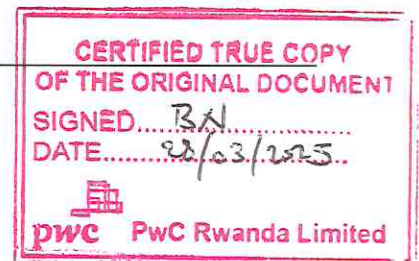
Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iii) Recognition and derecognition

Group of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
 - the beginning of the coverage period of the group; and
 - the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held;

unless the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- a. if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
 - i. is not within the scope of IFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts;
- b. the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- c. the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iii) Recognition and derecognition (continued)

Accounting for contract modification and derecognition (continued)

When a new contract is required to be recognised because of modification and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, component separation and contract aggregation requirements.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- a. if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment.
- b. if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
- c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

iv) Measurement

iv) (a) Fulfilment cash flows

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

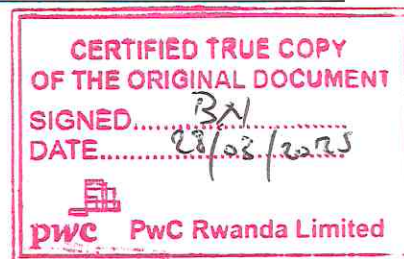
The estimates of future cash flows:

- a. are based on a probability-weighted mean of the full range of possible outcomes;
- b. are determined from the perspective of the Company, provided that the estimates are consistent with observable market prices for market variables; and
- c. reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to note 2.2.(iii).(a)





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iv) Measurement (continued)

iv) (a) Fulfilment cash flows (continued)

Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b. both of the following criteria are satisfied:
 - i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

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

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts might include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iv) Measurement (continued)

iv) (a) Fulfilment cash flows (continued)

Contract boundary (continued)

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Company defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- a. to that group; and
- b. to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Before a group of insurance contracts is recognised, the Company could pay (or recognise a liability, applying a standard other than IFRS 17) for directly attributable acquisition costs to originate them. Such balances, which for the Company are typically limited to non-refundable costs prepaid for automobile insurance contracts measured under PAA, are recognised as insurance acquisition cash flows assets within the carrying amount of insurance contracts issued and are subsequently derecognised (in full or to the extent that insurance contracts expected to be in the group have been recognised at that date) when respective groups of insurance contracts are recognised and the insurance acquisition cash flows are included in the group's measurement. The amounts allocated to groups of insurance contracts yet to be recognised are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used. Refer to note 2.2 (iii) (a) for the judgement applied.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.



2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iv) Measurement (continued)

iv) (a) Fulfilment cash flows (continued)

Insurance acquisition costs (continued)



The recoverability assessment is performed in two steps, as follows:

1. an impairment loss is recognised to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the FCF as at initial recognition for the related group of insurance contracts;
2. in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the FCF as at initial recognition for the expected renewals; an impairment loss is recognised for the excess to the extent not recognised in step (1) above.

Other pre-recognition cash flows within the contract boundary

Before a group of insurance contracts is recognised, the Group could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 2.2 (iii) (a)

iv) (b) Initial measurement – Groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less. This approach is used for originated automobile insurance contracts, because each of these contracts has a coverage period of one year or less.

The excess of loss reinsurance contracts held provide coverage on the automobile insurance contracts originated for claims incurred during an accident year and are accounted for under the PAA.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iv) Measurement (continued)

iv) (a) Fulfilment cash flows (continued)

v) (b) Initial measurement – Groups of contracts measured under the PAA (continued)

In addition to the contracts with coverage of less than one year, the PAA can be used for measurement of groups of contracts where the entity reasonably expects that such a simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced by applying the GMM or VFA.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group. For reinsurance contracts held, broker fees are recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

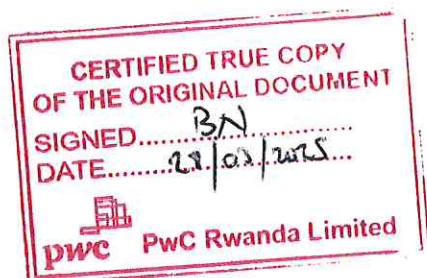
- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the period;
- b. increased for broker fees paid in the period; and
- c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.



2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iv) Measurement (continued)

iv) (d) Initial measurement – Groups of contracts measured under the PAA (continued)

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.

The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money, since insurance contracts issued by the Company and measured under the PAA typically have a settlement period of over one year.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component. Where applicable, resulting changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Where applicable, changes in the loss-recovery component are disaggregated between net income from reinsurance contracts held (refer to note 2.1.(e)(ii)) and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein in proportion to the disaggregation applied to the changes in the underlying loss component.

The Company does not have any reinsurance contracts held measured under the PAA with underlying contracts measured under the GMM.



2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

v) Amounts recognised in comprehensive income

v) (a) Insurance service result from insurance contracts issued

Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims and benefits, excluding investment components reduced by loss component allocations.
- b. other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
- c. insurance acquisition cash flows amortisation;
- d. changes that relate to past service – changes in the FCF relating to the LIC; and
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
- f. insurance acquisition cash flows assets impairment, net of reversals

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

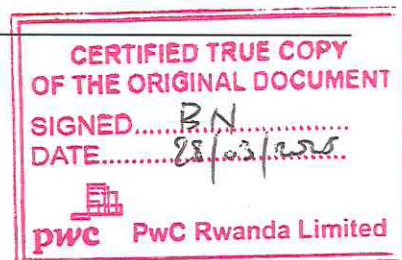
Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

v) (b) Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

v) Amounts recognised in comprehensive income (continued)

v) (b) Insurance service result from reinsurance contracts held (continued)

Net income (expenses) from reinsurance contracts held (continued)

- a. reinsurance expenses;
- b. for groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
- c. incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- d. other incurred directly attributable expenses;
- e. changes that relate to past service – changes in the FCF relating to incurred claims recovery;
- f. effect of changes in the risk of reinsurers' non-performance; and
- g. amounts relating to accounting for onerous groups of underlying insurance contracts issued:
 - i. income on initial recognition of onerous underlying contracts;
 - ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
 - iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Company expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For contracts measured under the GMM, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

- a. claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
 - amounts allocated to the loss-recovery component;
 - repayments of investment components; and
 - amounts related to the risk adjustment for non-financial risk (see (b));
- b. changes in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held;
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss-recovery component;
- c. amounts of the CSM recognised for the services received in the period; and
- d. experience adjustments – arising from premiums paid in the period other than those that relate to future service.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

v) Amounts recognised in comprehensive income (continued)

v) (b) Insurance service result from reinsurance contracts held (continued)

Net income (expenses) from reinsurance contracts held (continued)

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

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

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

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- a. interest accreted on the FCF and the CSM; and
- b. the effect of changes in interest rates and other financial assumptions.

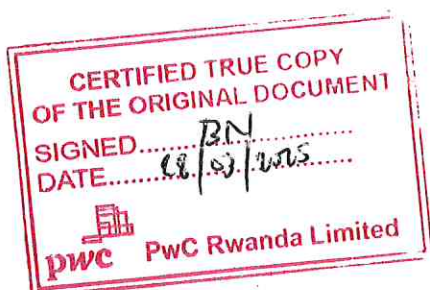
For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

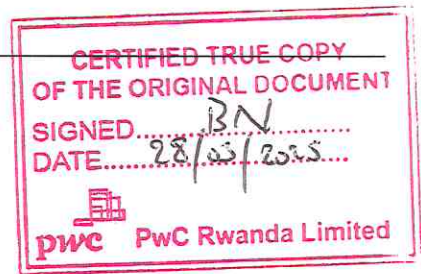
- a. interest accreted on the LIC; and
- b. the effect of changes in interest rates and other financial assumptions.

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

For the contracts measured under the GMM and the PAA, the Company includes all insurance finance income or expenses for the period in profit or loss (that is, the profit or loss option (the PL option) is applied).

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items. Applying IAS 21 at the end of the reporting period, the carrying amount of the group of insurance contracts, including the CSM, is translated into the functional currency at the closing rate. The Group has chosen to present the resulting foreign exchange differences within the line item 'finance expenses from insurance contracts'.





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

vi) Receivables and payables related to insurance contracts

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

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

vii) Salvage and subrogation reimbursements

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

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

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(e) Investment property

Property held for long-term rental yields that is not occupied by the Company is classified as investment property. Investment property comprises freehold land and buildings. It is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets.

These valuations are reviewed annually by an independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the profit or loss.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the Company. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition.

(f) Investment in associates

Associates are undertakings in which the Company has 20-50% of the voting rights, and over which the Company exercises significant influence, but which it does not control. Provisions are recorded for any impairment in value.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in the profit and loss account the Company's share of the associates' profit or loss for the year. The Company's interest in the associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill at acquisition.

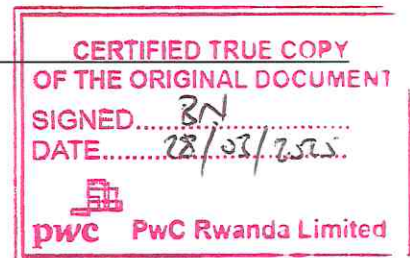
(g) Property and equipment

Land, buildings and motor vehicle are stated at fair value, based on periodic, but at least triennial, valuations by external independent appraisers, less depreciation. Land is not depreciated. Buildings are depreciated on a straight-line basis to allocate the cost over the estimated useful life (60 years) of the building. The residual values and useful lives of buildings are reviewed at each statement of financial position date and adjusted accordingly.

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the difference between the cost and residual value of the asset and is charged over the estimated useful life of each significant part of an item of equipment, using the reducing balance method of depreciation.

Buildings	14 to 60 years
IT Equipment	2 years
Furniture and equipment	4 years
Motor vehicles	4 years
Apartment materials	4 years
Medical and Other equipment	4 years





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(g) Property and equipment (continued)

The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that additional future economic benefits from the existing asset will flow to the company as a result of the major renovation.

(h) Intangible assets – Computer software

Computer software is recognised at cost less amortisation and impairment charges. Computer software packages acquired are initially recognised at fair value. Cost associated with maintaining computer software programmes are recognised as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- 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 to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The Company's intangibles assets are made of the AIMS, Novanet, Sage Pastel softwares and are amortised on reducing balance method at the rate of 50% per annum.

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

(i) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are recognized to the initial carrying amount of the financial asset/liability, as appropriate on initial recognition

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(i) Financial instruments(continued)

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognized at the fair value derived from such observable market data.

j) Classification

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

- those to be measured subsequently at fair value through PL; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value through profit or loss, gains and losses will be recorded in profit or loss.

ii) Recognition and derecognition

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

iii) Measurement

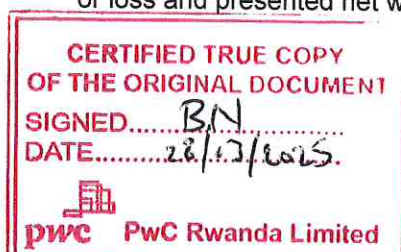
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented within operating and other expenses the statement of profit or loss.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(i) Financial instruments(continued)

Equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

iv) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of these assets. No evidence for impairment found during our review of the NBV vis a vis the net realisable value of those debt instruments.

Derecognition of financial assets

A financial asset is derecognized when:

The rights to receive cash flows from the asset have expired, or

- The company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The company has transferred substantially all the risks and rewards of the asset, or
- The company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(j) Transactions with related party companies

These include loans to and from the holding company, fellow subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs. Loans to group companies are classified as loans and receivables. Loans from group companies are classified as financial liabilities measured at amortised cost. Loans to shareholders, directors, managers and employees are classified as loans and receivables.

(k) Other receivables

Other receivables meet the SPPI criterion as there is a principal payable on a due date. Given the short-term character of trade receivables, the financing component is not significant.

At initial recognition other receivables without a significant finance component are recognised at their transaction price and subsequently at amortised cost (less an allowance for impairment under the expected credit loss model).

(l) Trade and other payables

Trade and other payables, including accruals, are recognised when the company has a present obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits from the company. Trade and other payables are carried at amortised cost.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(n) Income tax expense

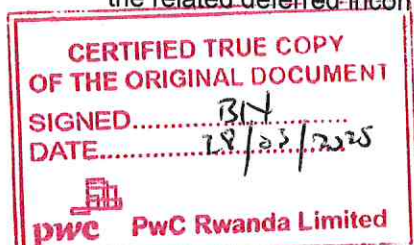
Income tax expense is the aggregate amount charged / (credited) in respect of current income tax and deferred income tax in determining the profit or loss for the year. Tax is recognised in the profit or loss except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

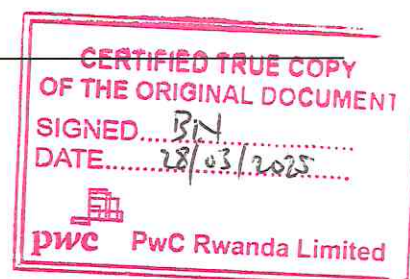
Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Rwanda Income Tax Act.

Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit nor loss. Deferred income tax is determined 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, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.





2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(n) Income tax expense (continued)

Deferred income tax(continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability 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. Generally, the company is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the company the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same entity.

(o) Leases

The Company leases certain property and equipment. The Company does not retain a significant portion of the risks and rewards of ownership and these leases are therefore classified as operating leases.

(i) The company is the lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in the profit or loss account on a straight-line basis over the lease term.

(p) Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(p) Impairment of non-financial assets(continued)

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

(q) Share capital

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

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares are classified as equity when there is no obligation to transfer cash or other assets.

(r) Provisions and contingencies

Provisions are recognised when;

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses if an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring, identifying at least: the business or part of a business concerned;



2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(r) Provisions and contingencies (continued)

- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- When the plan will be implemented; and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

(s) Retirement benefit obligations

Staff retirement benefits consists of retirement benefits and loyalty benefits. Retirement benefits are accrued based on the number of years work and an employee is entitled to the basic salary with a factor of number of years worked up to a maximum of 12 months. Loyalty bonus is accrued based on the basic salary multiple of a certain number of years in the organisation.

(t) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(u) Employee entitlements

i) Defined contribution scheme

The company and all its employees contribute to the Rwanda Social Security Board, which is a defined contribution scheme.

ii) Termination benefits

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

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(u) Employee entitlements (continued)

iii) Short-term employee benefits

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

(v) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services, net of any applicable taxes.

i) Insurance premium

Insurance premiums for general insurance contracts are recognised as revenue as detailed in Note 2 (f) ii Insurance contracts.

ii) Interest income and expenses

Interest income and expenses for all interest-bearing financial instruments, are recognised within 'investment income' (Note 19) in the statement of profit or loss using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

iii) Rental income from investment property

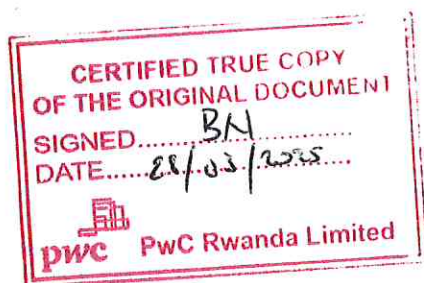
Rental income is recorded in the period it is earned.

iv) Dividend income

Dividend income for equity investments is recognised when the dividend is publicly declared.

v) Commission income earned

The revenue recognition policy for commission income earned is disclosed under note 2 (f) (iii).



3. Risk management objectives and policies

The Company issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Company manages them.

3.1 Insurance risk

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

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

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

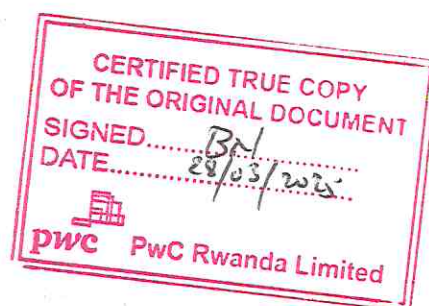
3.1.1 Casualty insurance risks

a) Frequency and severity of claims

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

Sensitivity analysis to insurance risk

The development of insurance liabilities provides a measure of the Company's ability to estimate the value of claims. The table below illustrates how the Company's estimate of total claims liability for each year has changed to successive year ends.





3. Risk management objectives and policies (continued)

3.1.1 Casualty insurance risks (continued)

a) Frequency and severity of claims (continued)

Gross amounts in RWF	Accident years									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	
At end of accident year	4,314,842,319	3,125,687,891	3,372,692,929	3,444,476,893	5,012,157,971	4,400,468,205	5,884,681,162	7,575,836,467	8,134,634,823	
One year later	1,015,012,480	2,875,795,398	2,936,209,088	2,477,203,874	2,381,261,431	3,625,124,900	3,490,382,412	3,601,979,051		
Two years later	1,881,477,655	1,581,502,125	1,777,744,554	917,073,303	1,143,198,686	627,460,109	406,444,124			
Three years later	846,993,321	585,052,756	635,494,465	901,299,520	534,700,868	178,868,135				
Four years later	311,716,890	224,601,026	477,864,764	207,508,223	143,137,830					
Five years later	151,343,271	276,484,380	202,864,641	135,115,649						
Six years later	95,742,649	73,823,730	38,654,274							
Eight years later	28,875,321	31,008,900								
Nine years later	3,604,472									
Ultimate claim estimate	8,669,474,591	8,796,316,502	9,510,455,607	8,206,971,209	9,357,238,642	9,256,510,602	10,672,599,899	12,736,418,976	14,657,345,544	
Cumulative payments to date	8,649,608,378	8,773,956,206	9,441,524,715	8,082,677,462	9,214,456,786	8,831,921,349	9,781,507,698	11,177,815,518	8,134,634,823	
OCR data	19,866,213	22,360,296	68,930,892	124,293,747	129,316,039	424,589,253	849,982,309	1,258,175,877	4,046,371,240	
IBNR	-	-	-	-	13,465,817	-	41,109,892	300,427,581	2,476,339,481	
Total Reserve (Triangles)	19,866,213	22,360,296	68,930,892	124,293,747	142,781,856	424,589,253	891,092,201	1,558,603,458	6,522,710,721	

3. Risk management objectives and policies (continued)

3.1.1 Casualty insurance risks (continued)

a) Frequency and severity of claims (continued)

Concentration of insurance risk

The following table illustrates the company's concentration of insurance risk. The table discloses the range of individual insured risk for the principal classes of business underwritten by the company.

Class of business	Range	Year ended 31 December 2024					Maximum insured loss		Grand Total
		Frw 0 to 15million Frw'000	Frw 15million to 115million Frw'000	Frw 115million to Frw 1billion Frw'000	Frw 1billion to Frw 10billion Frw'000	More than Frw 10billion Frw'000	Frw'000	Frw'000	
Accident	Gross	1,695,169	7,246,312	12,351,808	20,931,337	-	-	42,224,626	
Bonds	Gross	12,972,343	2,784,996	1,773,392	-	35,799,738	-	53,330,469	
Engineering	Gross	605,719	9,603,914	21,335,799	68,928,112	460,398,229	-	560,871,773	
Fire (Incendie)	Gross	21,842,842	225,990,147	335,948,243	355,441,002	340,728,298	-	1,279,950,532	
Liability	Gross	1,041,728	3,127,214	25,174,948	41,825,023	76,373,328	-	147,542,241	
Motor (Automobile)	Gross	2,954,035	93,931,819	24,149,346	11,289,933	-	-	132,325,133	
Transport (Marine)	Gross	82,826	3,543,738	5,072,410	3,047,244	-	-	11,746,218	





3. Risk management objectives and policies (continued)

3.1.1 Casualty insurance risks (continued)

a) Frequency and severity of claims (continued)

Concentration of insurance risk

The following table illustrates the company's concentration of insurance risk. The table discloses the range of individual insured risk for the principal classes of business underwritten by the company.

Class of business	Range	Maximum insured loss					Grand Total
		Frw 0 to 15million Frw'000	Frw 15million to 115million Frw'000	Frw 115million to Frw 1billion Frw'000	Frw 1billion to Frw 10billion Frw'000	More than Frw 10billion Frw'000	
Year ended 31 December 2023							
Accident	Gross	1,767,625	3,389,706	9,431,210	23,280,664	-	37,869,205
Bonds	Gross	11,164,937	15,923,115	17,457,710	17,457,710	23,866,492	85,869,964
Engineering	Gross	290,356	9,157,166	20,390,522	86,295,708	16,507,055	132,640,807
Fire (Incendie)	Gross	18,927,828	237,320,132	509,370,226	778,375,638	698,433,240	2,242,427,064
Liability	Gross	721,035	3,371,105	13,813,501	40,187,020	374,332,687	432,425,348
Motor (Automobile)	Gross	1,593,451	56,484,428	67,534,395	71,006,718	-	196,618,992
Transport (Marine)	Gross	8,969	449,754	1,707,421	5,820,696	-	7,986,840

3. Risk management objectives and policies (continued)

3.1.1 Casualty insurance risks (continued)

b) Sources of uncertainty in the estimation of future claim payments

Claims on casualty contracts/general risks are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time, and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability covers) or members of the public (for public liability covers).

Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The Company's activities expose it to a variety of financial risks including credit, liquidity and market risks. The Company's overall risk management policies are set out by the board and implemented by the management and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the Company's performance by setting acceptable levels of risk. The Company does not hedge against any risks.

3.2 Financial risk management

i) Credit risk

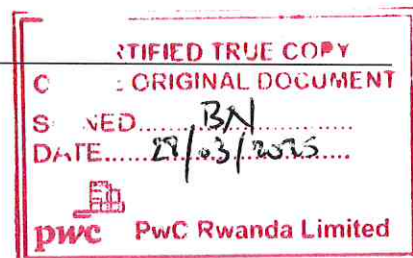
IFRS 7 Financial Instruments: Disclosures requires disclosure of the nature and extent of risks arising from financial instruments and how the Company manages those risks. The Company introduced changes to the way it does business, which impacted the credit risk that arises from the transactions that it enters into and the way it manages those risks.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets and is managed on a company-wide basis. The Company does not grade the credit quality of financial assets that are neither past due nor impaired.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution.

Credit risk on insurance receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting the credit limit and the credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.





3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

i) Credit risk (continued)

The maximum exposure of the Company to credit risk as at the balance sheet date is as follows:

	2024	2023
	Frw '000	Frw '000
Receivables from direct insurance arrangements	608,860	2,136,149
Receivables arising out of reinsurance arrangements	4,361,572	4,220,801
Receivables arising out of coinsurance arrangements	126,634	75,140
Other receivables	2,270,301	1,479,203
Deposits with financial institutions	10,390,962	8,521,560
Government securities	6,252,440	4,343,132
Cash and cash equivalents	5,799,439	7,675,345
	29,810,208	28,451,330

i) Receivables from direct insurance arrangements

As at 31 December 2024		<90 days	>90 days	Total
Loss rates		0.0%	84%	60%
Gross carrying amount. (Frw '000)		441,395	1,077,366	1,518,761
Lifetime ECL (Frw '000)		-	909,901	909,901

As at 31 December 2023		<90 days	>90 days	Total
Loss rates		0.0%	46%	24%
Gross carrying amount. (Frw '000)		1,356,785	1,449,364	2,806,149
Lifetime ECL (Frw '000)		-	670,000	670,000

ii) Receivables arising out of reinsurance arrangements

As at 31 December 2024		<180 days	180-365 days	Total
Loss rates		0.0%	30%	26%
Gross carrying amount (Frw '000)		723,352	5,165,792	5,889,144
Lifetime ECL (Frw '000)		-	1,527,572	1,527,572

As at 31 December 2023		<180 days	180-365 days	Total
Loss rates		0.0%	26%	21%
Gross carrying amount (Frw '000)		1,040,877	4,280,947	5,321,824
Lifetime ECL (Frw '000)		-	1,101,023	1,101,023

iii) Receivables arising out of coinsurance arrangements

As at 31 December 2024		<180 days	180-365 days	Total
Loss rates		0.0%	99%	90%
Gross carrying amount (Frw '000)		115,711	1,171,530	1,287,241
Lifetime ECL (Frw '000)		-	1,160,607	1,160,607



3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

i) Credit risk (continued)

(a) Receivables from direct insurance and reinsurance arrangements

As at 31 December 2023	<180 days	180-365 days	Total
Loss rates	0.0%	98%	94%
Gross carrying amount (Frw '000)	54,246	1,125,688	1,179,934
Lifetime ECL (Frw '000)		1,104,794	1,104,794

No collateral is held in respect of the receivables that are past due.

All receivables from direct insurance arrangements showing a significant increase in credit risk are considered to be impaired and are carried at their estimated recoverable value. Outstanding policies aging more than 90 days are considered defaulted. Where applicable, to a reasonable extent management will factor in qualitative information and judgement when applying these estimates.

For receivables from reinsurance arrangements, outstanding policies aging more than 365 days are considered defaulted except for receivables from facultative partners where balance signoffs have been agreed. These facultative receivables are allowed for offset against corresponding facultative payables in computing the expected credit losses. The Company computes and uses default rates based on the reinsurers credit rating and liquidity scores.

(b) Other receivables

	2024 Frw '000	2023 Frw '000
Stage 1	2,335,249	1,800,362
Stage 2	-	-
Stage 3	-	-
Total other receivables	2,335,249	1,800,362
Less: Loss allowance	(64,948)	(321,159)
Net carrying amount	2,270,301	1,479,203

No collateral is held in respect of the receivables that are past due but not impaired.

The company uses the simplified approach with regard to impairment of other receivables. Where applicable, to a reasonable extent management will factor in qualitative information and judgement when applying these estimates

c) Deposits with financial institutions

	2024 Frw '000	2023 Frw '000
Stage 1	10,457,904	8,558,350
Stage 2	-	-
Stage 3	-	-
Total other receivables	10,457,904	8,558,350
Less: Loss allowance	(66,942)	(36,790)
Net carrying amount	10,390,962	8,521,560

3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

i) Credit risk (continued)

Expected credit losses are computed based on an internal credit rating score dependent on the tier of the bank. Default rates are adjusted for capital adequacy and Liquidity scores. Where applicable, to a reasonable extent management will factor in qualitative information and judgement when applying these estimates.

d) Cash and bank balances

	2024	2023
	Frw '000	Frw '000
Stage 1	5,804,751	7,680,433
Stage 2	-	-
Stage 3	-	-
Total cash and bank balances	5,804,751	7,680,433
Less: Loss allowance	(5,312)	(5,088)
Net carrying amount	5,799,439	7,675,345

Expected credit losses are computed based on an internal credit rating score dependent on bank tier. Default rates are adjusted for capital adequacy and Liquidity scores. Management will factor in qualitative information and judgement when applying these estimates.

e) Government securities at amortised cost

	2024	2023
	Frw '000	Frw '000
Stage 1	6,307,848	4,378,095
Stage 2	-	-
Stage 3	-	-
Total other receivables	6,307,848	4,378,095
Less: Loss allowance	(55,408)	(34,963)
Net carrying amount	6,252,440	4,343,132

Securities are clustered dependent on time left to maturity. Probability of default is based on the country sovereign rating. Loss given default is the weighted coupon on the cluster.





3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

i) Credit risk (continued)

(f) Reconciliation of loss allowance accounts

	Government securities at amortised cost	Other receivables	Receivables arising out of reinsurance arrangements	Receivables arising out of direct insurance arrangements	Receivables arising out of coinsurance arrangements	Deposits with financial institutions	Cash and bank balances	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
At 1 January 2023	43,794	853,295	953,605	240,690	816,619	-		2,908,003
(Increase)/ decrease in loss allowance in the year	(8,831)	321,159	166,875	56,038	288,176	36,790	5,088	865,295
At 31 December 2023	34,963	1,174,454	1,120,480	296,728	1,104,795	36,790	5,088	3,773,298
Increase/ (decrease) in loss allowance in the year	20,445	(64,948)	426,549	239,131	55,813	30,152	224	707,366
At 31 December 2024	55,408	1,109,506	1,547,029	535,859	1,160,608	66,942	5,312	4,480,664

An impairment provision of Frw 707,366 (2023: Frw 865,295) is held against the impaired receivables. The Company does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due and impaired receivable

3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the Company's short, medium, and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Company manages liquidity risk by continuously reviewing forecasts and actual cash flows and maintaining banking facilities to cover any shortfalls.

The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities. The amounts disclosed are the contractual undiscounted cash flows.

2024	Less than 3 months Frw'000'	3-12 months Frw'000'	1-5 years Frw'000'	Total Frw'000'
Insurance contract liabilities	2,335,292	496,017	16,412,638	19,243,947
Other current liabilities	783,232	183,082	533,406	1,499,720
Due to related parties	24,063	-	-	24,062
Total	3,142,587	679,099	16,946,044	20,767,729
2023				
Insurance contract liabilities	5,607,989	9,551,537	1,749,129	16,908,655
Other current liabilities	1,901,871	580,631	-	2,482,502
Due to related parties	45,821	-	-	45,821
Total	7,555,681	10,132,168	1,749,129	19,436,978

iii) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

a) Currency risk

Currency risk arises on financial instruments that are denominated in foreign currency. Trade receivables, cash and trade payables are denominated in local currency.

b) Equity risk

Equity price risk arises from investments in equity held. Management of the Company monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Asset Liability Committee.

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



3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

iii) Market Risk (continued)

b) Equity risk

Sensitivity analysis:

	2024 Sensitivity to a +/- 5% movement in the equity price Frw'000	2023 Sensitivity to a +/- 5% movement in the equity price Frw'000
Equity investment		
Zep-RE	267,974	244,905
Rwanda Stock Exchange	789	573

c) Interest risk

The company ensures that its investments are primarily held at fixed interests rates to avoid fluctuations in earnings due to changes in interest rates.

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

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

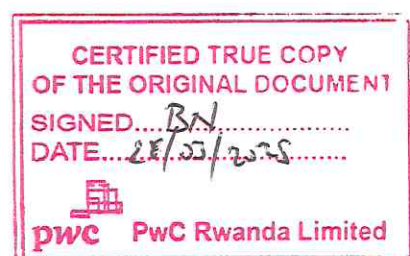
The table below summarises the interest rate risk of the company as at 31 December 2024:

As at 31 December 2024	Average interest rate	3- 12 months Frw'000
Term deposits with banks	9.9%	10,390,962
Total financial assets		10,390,962
As at 31 December 2023	Average interest rate	3- 12 months Frw'000
Term deposits with banks	14.6%	8,521,560
Total financial assets		8,521,560

Interest rate risk sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax.

Sensitivity analysis:	Effect on profit before income tax Frw '000'
31 December 2024 (+/-) 2%	<u>17,033</u>
31 December 2023 (+/-) 2%	<u>50,535</u>



3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

c) foreign currency risk exposure

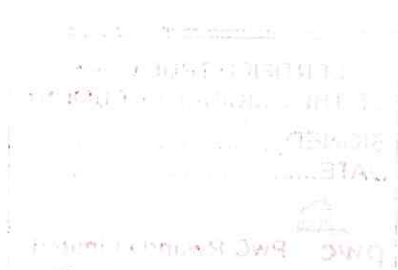
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The USD/Frw closing rate as at 31 December 2024 was Frw 1,382.99 (2023: 1,276.44) while the average rate for the year was Frw 1,318.64 (2023: 1,263.93). The amounts below summarise the foreign currency exposure position as at 31 December 2024.

As at 31 December 2024	USD Frw '000	Total Frw '000
Assets		
Cash and cash equivalents	1,131,797	1,131,797
Total assets	1,131,797	1,131,797
Liabilities	-	-
Total liabilities	-	-
Net financial position	1,131,797	1,131,797
As at 31 December 2023	USD Frw '000	Total Frw '000
Assets		
Cash and cash equivalents	2,941,686	2,941,686
Total Assets	2,941,686	2,941,686
Liabilities	-	-
Total Liabilities	-	-
Net financial position	2,941,686	2,941,686

Foreign currency risk sensitivity

The following table demonstrates the sensitivity, to a reasonable possible change in the USD, with all other variables held constant, of the Company's profit before tax due to changes in fair value of monetary assets and liabilities.

31-Dec-	Effect on profit before tax	Effect on profit before tax
	Frw '000	Frw '000
	2024	2023
Changes in USD +/- 10%	85,164	252,677





3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

iv) Strategic Risk

Strategic risk is the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation. The resources needed to carry out business strategies are both tangible and intangible. They include communication channels, operating systems, delivery networks, and managerial capacities and capabilities. The organization's internal characteristics are evaluated against the impact of economic, technological, competitive, regulatory, and other environmental changes.

The strategic risks were assessed based on the following indicators;

- whether risk management practices are an integral part of strategic planning;
- whether strategic goals, objectives, corporate culture, and behaviour are effectively communicated and consistently applied throughout the institution. Strategic direction and organizational efficiency are enhanced by the depth and technical expertise of Management;
- whether Management has been successful in accomplishing past goals and is appropriately disciplined;
- whether management information systems effectively support strategic direction and initiatives;
- exposure reflects strategic goals that are not overly aggressive and are compatible with developed business strategies;
- whether initiatives are well conceived and supported by appropriate communication channels, operating systems, and service delivery networks. The initiatives are supported by capital for the foreseeable future and pose only nominal possible effects on earnings volatility;
- whether strategic initiatives are supported by sound due diligence and strong risk management systems. The decisions can be reversed with little difficulty and manageable costs;

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

v) Operational Risk

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

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

vi) Compliance Risk

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

3. Risk management objectives and policies (continued)

3.3 Capital management

The Company's objectives when managing capital, which is a broader concept than the 'equity' in the statement of financial position are to:

- i. Comply with the capital requirements as set out by the regulator
- ii. Comply with the regulatory solvency requirements as set out by the regulator
- iii. Safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders
- iv. Provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

The Regulator requires each insurance company to hold the minimum level of paid-up capital depending on the general insurance business they carry.

The solvency margin of the Company as at 31 December 2024 and 2023 is illustrated below;

	2024 Frw '000	2023 Frw '000
Admitted assets	35,097,738	32,323,464
Admitted liabilities	24,670,088	23,571,654
Solvency Margin Required	3,342,477	2,826,669
Solvency Margin Available	10,427,650	8,751,810
Solvency ratio	311.97%	309.62%

3.4 Fair value estimation

Valuation hierarchy

The valuation hierarchy, and types of instruments classified into each level within that hierarchy, is set out below:

	Level 1	Level 2	Level 3
Fair value determined using:	Unadjusted quoted prices in active market for identical assets and liabilities	Valuation model with directly or indirectly market observable inputs	Valuation models using significant non-market observable inputs
Types of financial assets:	Actively traded government and other agency securities	Corporate and other governments and loans	Highly structured OTC derivatives with unobservable parameters
Types of financial liabilities:	Listed equities	Unlisted equities	Highly structured OTC derivatives with unobservable parameters
	Listed derivative instruments	Over-the-counter derivatives	



3. Risk management objectives and policies (continued)

3.4 Fair value estimation (continued)

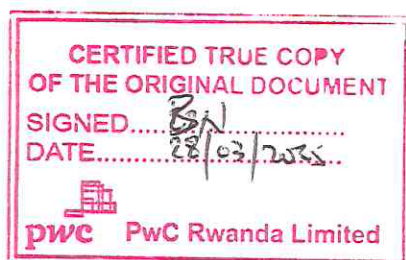
Valuation methods and assumptions (continued)

Reinsurance assets, insurance receivables, other receivables, deferred acquisition cost, due from related parties, insurance contract liabilities, trade, and other payables, due to related parties, approximate their carrying value amounts due to the short-term maturities of these instruments.

For property and equipment and investments in unquoted shares, the company engaged valuation experts. The valuation experts considered the income approach (discounted cash flow approach) as the primary valuation methodology to estimate the indicative property and equity fair value of the entities. The experts also considered the market approach and the net assets approach to arrive at the indicative property and equity valuations of the entities.

The following tables provide the fair value measurement hierarchy of the company's assets and liabilities. The tables below include items that have recurring fair value measurements (i.e. financial assets available for sale and held for trading). The fair value measurement also shows the fair value measurement of financial assets at amortised cost (i.e. financial assets held to maturity).

	Carrying amount	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
31-Dec-23				
Property and equipment	3,139,560	-	-	3,139,560
Financial assets – equity investments	4,909,556	-	4,909,556	-
Investment property	5,431,161	-	5,431,161	-
Total	13,480,277	-	10,340,717	3,139,560
31-Dec-24				
Property and equipment	3,137,702	-	-	3,137,702
Financial assets - equity investments	5,375,249	-	5,375,249	-
Investment property	5,329,715	-	5,329,715	-
Total	13,842,666	-	10,704,964	3,137,702



4 Insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held for 2024 and 2023 is included in the following tables.

	2024 Frw'000	2023 Frw'000
Insurance revenue		
Insurance revenue from contracts measured under PAA	27,553,670	24,199,807
Insurance service expenses		
Incurred claims and other directly attributable expenses	(15,447,118)	(6,076,108)
Losses on onerous contracts and reversal of those losses	805,892	327,873
Changes that relate to past service – changes in the FCF relating to the LIC	(1,907,489)	(7,330,545)
Insurance acquisition cash flows amortisation	(2,022,142)	(1,635,436)
Total insurance service expenses	(18,570,857)	(14,714,216)
Net expenses from reinsurance contracts held		
Reinsurance expenses – contracts measured under PAA	(4,519,448)	(3,658,787)
Other incurred directly attributable expenses	(29,930)	(43,403)
Net expenses from reinsurance contracts held	(4,549,378)	(3,702,190)
Insurance service result	4,433,435	5,783,401



5(i) Interest revenue from financial assets not measured at FVTPL

	2024 Frw'000	2023 Frw'000
Interest income from investment in Government securities	1,630,395	1,073,355
Interest income from bank deposits	197,411	165,573
	<u>1,827,806</u>	<u>1,238,928</u>

5(ii) Investment income

Rental income from investment property	257,799	363,212
Share of profit from investment in associate	85,402	78,232
	<u>343,201</u>	<u>441,444</u>

5(iii) Finance expenses from insurance contracts issued

	2024 Frw'000	2023 Frw'000
Interest accreted	(485,150)	(471,802)
Effect of changes in interest rates and other financial assumptions	(107,913)	(132,067)
	<u>(593,063)</u>	<u>(603,869)</u>

5(iv) Finance income from Reinsurance contracts held

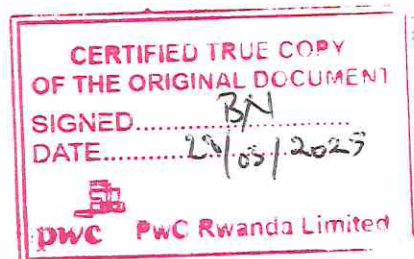
	2024 Frw'000	2023 Frw'000
Interest accreted	113,161	127,758
Effect of changes in interest rates and other financial assumptions	12,308	37,619
	<u>125,469</u>	<u>165,377</u>

6 Other income

Income on asset cessions	4,361	229,345
Salary advance interest	3,414	2,857
Other operating revenue	250,178	371,773
	<u>257,953</u>	<u>603,975</u>

7 Insurance contract liabilities

Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre-recognition cash flows	19,165,973	17,834,088
Insurance acquisition cash flows assets	77,974	47,501
	<u>19,243,947</u>	<u>17,881,589</u>
Non-current	2,831,309	1,938,090
Current	16,412,638	15,943,499
	<u>19,243,947</u>	<u>17,881,589</u>





7 Insurance contract liability (Continued)

a) Reconciliation of the liability for remaining coverage and the liability for incurred claims

2024 Frw '000'

Insurance contract liabilities as at 1 January	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)	
	Remaining Coverage Excluding loss comp. '000'	Loss comp. '000'	Total '000'	LIC Total '000'	Total '000'
Opening balance	7,125,851	805,892	7,931,743	9,949,846	17,881,589
Insurance revenue	(27,553,670)	-	(27,553,670)	-	(27,553,670)
Insurance service expenses					
Incurred claims and other directly attributable expenses	148,840	-	148,840	17,797,557	17,946,397
Losses on onerous contracts and reversals of those losses	-	(805,892)	(805,892)	-	(805,892)
Insurance acquisition cash flows amortisation	2,022,142	-	2,022,142	-	2,022,142
Insurance service expenses	2,170,982	(805,892)	1,365,090	17,797,557	19,162,647
Insurance service result	(25,382,688)	(805,892)	(26,188,580)	17,797,557	(8,391,023)
Cash flows					
Premiums received	27,667,554	-	27,667,554	-	27,667,554
Claims and other directly attributable expenses paid	-	-	-	(15,890,069)	(15,890,069)
Insurance acquisition cash flows	(2,024,104)	-	(2,024,104)	-	(2,024,104)
Total cash flows	25,643,450	-	25,643,450	(15,890,069)	9,753,381
Insurance contract liabilities as at 31 December	7,386,613	-	7,386,613	11,857,334	19,243,947

7 Insurance contract liability (Continued)

a) Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2023 Frw '000'	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)	
	Remaining Coverage Excluding loss comp. '000'	Loss comp. '000'	Total '000'	Total '000'
Insurance contract liabilities as at 1 January	5,413,328 (24,199,807)	1,133,765 -	6,547,093 (24,199,807)	11,668,062 -
Opening balance				18,215,155
Insurance revenue				(24,199,807)
Insurance service expenses				
Incurred claims and other directly attributable expenses	181,620	-	181,620	13,253,433
Losses on onerous contracts and reversals of those losses	-	(327,873)	(327,873)	(327,873)
Insurance acquisition cash flows amortisation	1,635,437	-	1,635,437	1,635,437
Insurance service expenses	1,817,057	(327,873)	1,489,184	13,253,433
Insurance service result	(22,382,750)	(327,873)	(22,710,623)	(9,457,190)
Cash flows				-
Premiums received	25,644,640	-	25,644,640	25,644,640
Claims and other directly attributable expenses paid	-	-	-	(14,971,649)
Insurance acquisition cash flows	(1,549,367)	-	(1,549,367)	(1,549,367)
Total cash flows	24,095,273	-	24,095,273	9,123,624
Insurance contract liabilities as at 31 December	7,125,851	805,892	7,931,743	17,881,589

CERTIFIED TRUE COPY
OF THE ORIGINAL DOCUMENT
SIGNED: *BSH*
DATE: 28/05/2025
PwC PwC Rwanda Limited



7 Insurance contract liability (Continued)
b) Reinsurance contracts held - Reconciliation of the remaining coverage and incurred claims components

As at 31 December 2024

	Liabilities for Remaining Coverage (LRC)			
	Excluding Loss Component '000'	Loss Component '000'	Total '000'	Total Incurred Claims Component '000'
Opening reinsurance contract assets	(8,114,008)	-	(8,114,008)	13,774,233
Net balance as at 1 January	(8,114,008)	-	(8,114,008)	13,774,233
Allocation of the premiums paid	(5,253,679)	-	(5,253,679)	-
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	-	-	-	3,227,051
Changes that relate to past service - adjustments to incurred claims	-	-	-	539,515
Total amounts recovered from Reinsurance	-	-	-	3,766,566
Effect of changes in - non-performance risk of Reinsurers	-	-	-	-
Total net expenses from Reinsurance	(5,253,679)	-	(5,253,679)	3,766,566
Cash flows				
Premiums and premium tax paid	(1,349,212)	-	(1,349,212)	-
Recoveries from reinsurance	4,880	-	4,880	-
Total cash flows	(1,344,332)	-	(1,344,332)	-
Net balance as at 31 December	(14,712,019)	-	(14,712,019)	17,540,799
Closing reinsurance contract assets	(14,712,019)	-	(14,712,019)	17,540,799
Net balance as at 31 December	(14,712,019)	-	(14,712,019)	17,540,799
				2,828,780

7 Insurance contract liability (Continued)
b) Reinsurance contracts held - Reconciliation of the liability for remaining coverage and incurred claims components (continued)

As at December 2023	Liabilities for Remaining Coverage (LRC)				Total '000'
	Excluding Loss Component '000'	Loss Component '000'	Total '000'	Incurred Claims Component '000'	
Opening reinsurance contract assets	(860,558)	-	(860,558)	9,365,412	8,504,854
Net balance as at 1 January	(860,558)	-	(860,558)	9,365,412	8,504,854
Allocation of the premiums paid	(6,532,150)	-	(6,532,150)	-	(6,532,150)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense	-	-	-	2,625,869	2,625,869
Changes that relate to past service - adjustments to incurred claims	-	-	-	1,782,952	1,782,952
Total amounts recovered from Reinsurance	-	-	-	4,408,821	4,408,821
Effect of changes in - non-performance risk of Reinsurers	-	-	-	-	-
Total net expenses from Reinsurance	(6,532,150)	-	(6,532,150)	4,408,821	(2,123,329)
Cash flows					
Premiums and premium tax paid	(998,435)	-	(998,435)	-	(998,435)
Recoveries from reinsurance	277,135	-	277,135	-	277,135
Total cash flows	(721,300)	-	(721,300)	-	(721,300)
Net balance as at 31 December	(8,114,008)	-	(8,114,008)	13,774,233	5,660,225
Closing reinsurance contract assets	(8,114,008)	-	(8,114,008)	13,774,233	5,660,225
Net balance as at 31 December	(8,114,008)	-	(8,114,008)	13,774,233	5,660,225



7 Insurance contract liabilities (Continued)

c) Claim development

The gross claims reported, the loss adjustment expenses liabilities and the liability for claims incurred but not reported are net of expected recoveries from salvage and subrogation.

Methodology

The calculations are performed using a combination of both Bornhuetter Fergusson (BF) and Basic Chain Ladder (BCL). The BF method considers the earned premium exposure and is more commonly applied to accident years that are underdeveloped, whilst the CL method is better suited to accident years which are more developed. No IBNR was held for accident periods prior to 2015, as no further IBNR development is expected on these claims.

Assumptions

Economic Assumptions

Discounting & Inflation

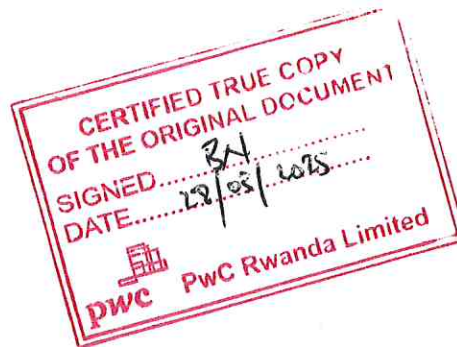
No discounting has been applied to the IBNR reserves. The reserves have also not been adjusted for inflation.

Non-economic Assumptions

Ultimate Loss Ratios

The assumed ultimate loss ratios have been computed using the BF method. The BF method requires an ultimate loss ratio in place for estimation of the ultimate claim. The actuary has used this as a non-economic assumption.

The Company uses the chain ladder techniques to estimate the ultimate cost of claims and the IBNR. Chain ladder techniques are used as they are an appropriate technique for mature classes of business that have a relatively stable development pattern. This involves the analysis of historical claims development factors, and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not fully developed to produce an estimated claims cost for each year.



8 Operating expenses

	2024 Frw'000	2023 Frw'000
Employment benefits (as below)	2,659,094	2,416,542
Consumables	295,350	354,758
Government medical fund	575,869	478,110
Utilities	92,250	108,801
Advertising	53,181	44,263
Telephone and fax	166,348	199,631
Repair and maintenance	50,343	75,569
Office rent	20,798	56,789
Travel local	39,112	41,708
Insurance	25,157	25,219
Subscriptions	80,353	64,794
Fines and penalties	24,605	5,126
Legal expenses	41,752	30,237
Directors' remuneration	128,954	91,386
Bank charges	132,977	84,899
Travel overseas	20,087	17,512
Consulting and professional fees	192,993	166,508
Petrol and oil	59,273	29,913
Local taxes	26,756	20,617
Postage	1,651	2,381
Training	33,226	14,515
BNR supervision fees	103,576	119,940
Audit fees	64,105	60,900
Office expenses	44,052	40,262
Donations	1,500	500
COVID19 expenses	128	-
Recruitment and advertising	1,624	1,110
Other operating expenses	264,927	568,712
	5,200,041	5,120,702
Employee benefits		
Salaries	2,113,237	2,157,534
Allowances	46,287	44,687
Social security contribution	113,221	90,397
Long term retainer expense	21,368	(13,322)
Medicals and expenses	128,910	141,508
Other staff expenses	236,071	(4,262)
	2,659,094	2,416,542



9. a) Fair value changes – equity instruments at FVTPL

Investment	2024			
	01-Jan-24	Disposals	FV gains	31-Dec-24
Zep-Re (1% shareholding)	4,898,099	-	461,378	5,359,477
Rwanda Stock Exchange (5% shareholding)	11,456	-	4,316	15,772
RIM (15% shareholding)	-	-	-	-
TOTAL	4,909,555	-	465,694	5,375,249

Investment	2023			
	01-Jan-23	Additions/ (disposals)	FV gains	31-Dec-23
Zep-Re (1% shareholding)	3,980,191	-	917,909	4,898,100
Rwanda Stock Exchange (5% shareholding)	4,557	-	6,899	11,456
RIM (15% shareholding)	488,735	(488,735)	-	-
TOTAL	4,473,483	(488,735)	924,808	4,909,556

9. b) Fair value changes – Investment property

Investment	2024			
	01-Jan-24	Additions/ (disposals)	FV gains/(loss)	31-Dec-24
Prima 2000 Building	5,390,176	-	(104,326)	5,285,850
Nyabugogo Building	40,985	-	2,880	43,865
TOTAL	5,431,161	-	(101,446)	5,329,715

Investment	2023			
	01-Jan-23	Additions/ (disposals)	FV gains/(loss)	31-Dec-23
Prima 2000 Building	5,434,914	-	(44,738)	5,390,176
Nyabugogo Building	37,544	-	3,441	40,985
TOTAL	5,472,458	-	(41,297)	5,431,161



10. Property and equipment

	Land	Buildings	Motor vehicles	Office equipment & furniture	IT equipment	Apartment materials	Medical and other equipment	Total
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
At 1 January 2024	493,306	3,369,429	351,322	174,208	507,701	232,811	77,376	5,206,153
Additions	-	-	32,800	7,631	30,950	-	-	71,381
Revaluation*	-	58,317	-	-	-	-	-	58,317
Disposal	-	-	-	(1,772)	-	-	(47)	(1,819)
At 31 December 2024	493,306	3,427,746	384,122	180,067	538,651	232,811	77,329	5,334,032
DEPRECIATION								
At 1 January 2024	-	880,272	298,697	138,277	464,882	208,698	75,767	2,066,593
Write offs**	-	-	-	-	245	-	-	245
Charge for the year	-	72,613	13,156	9,777	28,319	6,028	396	130,289
Disposal	-	-	-	(776)	-	-	(21)	(797)
At 31 December 2024	-	952,885	311,853	147,278	493,446	214,726	76,142	2,196,330
Net book value at 31 December 2024	493,306	2,474,861	72,269	32,789	45,205	18,085	1,187	3,137,702



10. Property and equipment (continued)

*During the year ended 31 December 2024, the Company performed a revaluation of land and buildings. The revaluation was completed on 04 December 2024 by Engineer MUHIRE Jean Claude, a certified independent valuer in Rwanda. The carrying amount of property, plant and equipment would have been Frw 2,968,167 if the revalued components were carried at cost model.

The following table illustrates the carrying amount and revaluation surpluses/deficits of the revalued owner-occupied land and buildings.

Land and building	Revalued amount Frw'000	Revaluation gain Frw'000	Revalued amount Frw'000	Accumulated depreciation Frw'000	Net book value Frw'000
Head office building	3,353,376	44,166	3,397,542	824,888	2,572,654
Muhanga building	203,166	5,533	208,699	62,507	146,192
Rubavu building	85,841	1,991	87,832	60,975	26,857
Rusizi building	220,352	6,627	226,979	4,515	222,464
TOTAL	3,862,735	58,317	3,921,052	952,885	2,968,167



10. Property and Equipment (continued)

	Land	Buildings	Motor vehicles	Office equipment & furniture	IT equipment	Apartment materials	Medical and other equipment	Total
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
At 1 January 2023	493,306	3,064,841	351,322	171,628	483,549	232,811	77,376	4,874,833
Additions	-	-	-	2,580	24,152	-	-	26,732
Revaluation*	-	304,588	-	-	-	-	-	304,588
At 31 December 2023	493,306	3,369,429	351,322	174,208	507,701	232,811	77,376	5,206,153
DEPRECIATION								
At 1 January 2023	-	808,517	281,155	126,633	433,734	200,660	75,231	1,925,930
Write offs**	-	-	-	166	-	8,038	-	8,204
Charge for the year	-	71,755	17,542	11,478	31,148	-	536	132,459
At 31 December 2023	-	880,272	298,697	138,277	464,882	208,698	75,767	2,066,593
Net book value at 31 December 2023	493,306	2,489,157	52,625	35,931	42,819	24,113	1,609	3,139,560

**Adjustments were done on costs and accumulated depreciation to match the assets register and book of accounts as at 31 December 2023.



11. Intangible assets

	Software	Software - Work in progress	Total
Year ended 31 December 2024			
Cost			
At 1 January 2024	1,228,941	47,715	1,276,656
Additions	-	9,892	9,892
At 31 December 2024	1,228,941	57,607	1,286,548
Amortization			
At 1 January 2024	1,179,779	-	1,179,779
Charge for the year	24,581	-	24,581
At 31 December 2024	1,204,360	-	1,204,360
Net carrying amount			
At 31 December 2024	24,581	57,607	82,188
Year ended 31 December 2023			
Cost			
At 1 January 2023	1,228,941	19,518	1,248,459
Additions	-	28,197	28,197
At 31 December 2023	1,228,941	47,715	1,276,656
Amortization			
At 1 January 2023	1,130,616	-	1,130,616
Charge for the year	49,163	-	49,163
At 31 December 2023	1,179,779	-	1,179,779
Net carrying amount			
At 31 December 2023	49,162	47,715	96,877

Intangible assets are made up of the AIMS software, Sage Financial system. Parts of Sage financial system are currently under development.



12 Investment properties

	2024 Frw'000	2023 Frw'000
At start of year	5,431,161	5,472,458
Fair value loss	<u>(101,446)</u>	<u>(41,297)</u>
At end of year	<u>5,329,715</u>	<u>5,431,161</u>

Investment property was revalued to Frw 5,329,715,000 as at 31 December 2024 (2023: Frw 5,431,161,000).

Investment property relates mainly to the PRIMA 2000 building which is fully rented to third parties. As at 31 December 2024, the fair values of the properties are based on valuations performed by 2020 Construction Ltd and Associates accredited independent valuers.

The fair value of the investment property has been determined on a market value basis in accordance with the methods and standards of cost estimation and analysis as set by the Institute of Rwanda Property Valuers (IRPV) and the International Valuation Standards Council. The valuations were performed by MUHIRE Jean Claude, an accredited independent valuer with a recognized and relevant professional qualification with recent experience in the category of the investment property being valued.

The valuation was based on the mean of the cost-based approach and income approach in which the estimated discount rate was 10%.

In arriving at the valuation figures the following principles have been assumed and applied.

- A willing buyer and willing seller both of whom are fully informed about the property and not acting out of compulsion.
- That to the date of valuation, a reasonable period would be allowed to properly market the property taking into account the nature of the property, the state of the market and allowing sufficient time for the agreement price, terms and completion of the sale.
- That the state of the market, levels of values and other circumstances were on any earlier assumed date of exchange of contracts, the same as on the date of valuation
- That no account would be taken of any bid by a purchaser with special interest.

The historical cost of the investment property is Frw 968,525,013 (2023: Frw 968,525,013)



13 Financial assets

a) Government securities at amortised cost

	2024	2023
	Frw'000	Frw'000
Treasury bonds		
Principle amount	6,200,000	4,154,950
Accrued interest	107,848	223,145
Expected credit loss	(55,408)	(34,963)
	<u>6,252,440</u>	<u>4,343,132</u>
Movement in expected credit loss:		
At 1 January	34,963	43,794
Charge for the year	20,445	(8,831)
31 December	<u>55,408</u>	<u>34,963</u>

Below is the listing of the government bonds held:

No	Issuer	Effective date	Expiry date	Interest rate	2024	2023
					Frw'000	Frw'000
1	BNR	24-Aug-18	5-Aug-33	12.90%	200,000	200,000
2	BNR	21-Dec-22	7-Dec-32	12.77%	1,000,000	-
3	BNR	24-Mar-23	7-May-32	12.15%	2,500,000	1,000,000
4	BNR	21-Jun-23	10-Jun-33	12.40%	1,000,000	1,500,000
5	BNR	20-Mar-24	7-May-32	12.15%	1,000,000	454,950
6	BNR	26-Apr-24	30-Jul-38	13.00%	500,000	1,000,000
					<u>6,200,000</u>	<u>4,154,950</u>

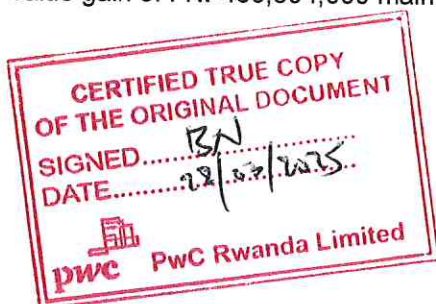
Financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR), less impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in 'Interest and similar income' in profit or loss. The losses arising from impairment of such investments are recognised in profit or loss under the 'Impairment loss on financial assets line. The instruments are not listed or actively traded, and their fair values approximate their carrying values.

(b) Equity investments at FVTPL

	2023	Movements	2024
	Frw'000	Frw'000	Frw'000
Zep-Re (1% shareholding)	4,898,100	461,378	5,359,478
Rwanda Stock Exchange (5% shareholding)	11,456	4,316	15,772
	<u>4,909,556</u>	<u>465,694</u>	<u>5,375,250</u>

Investments in equity are valued using models which sometimes only incorporates data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

At the end of the year ended 31 December 2024, Zep-Re and Rwanda Stock Exchange equity investments were revalued to Frw 5,359,477,000 and Frw 15,772,000 Frw which resulted in a fair value gain of Frw 465,694,000 mainly due to exchange rate USD/FRW fluctuation.



13 Financial assets (continued)

(d) Financial assets –Short term deposit	2024	2023
	Frw'000	Frw'000
Term deposit	10,050,000	8,427,000
Accrued interest	407,904	131,350
Expected credit loss	(66,942)	(36,790)
	10,390,962	8,521,560

Movement in expected credit loss:

	2024	2023
	Frw'000	Frw'000
At 1 January	36,790	-
Charge for the year	30,152	36,790
31 December	66,942	36,790

The following table illustrates the breakdown of the term deposits with their respective maturity dates:

Bank	Principal amount	Interest rate	Effective date	Maturity date
BK	1,000,000	10.00%	20-Dec-23	20-Dec-24
BPR	1,000,000	10.25%	24-Jan-24	23-Jan-25
COPEDU	350,000	10.50%	21-Feb-24	20-Feb-25
BPR	600,000	9.00%	11-Mar-24	10-Mar-25
NCBA RDA	500,000	10.00%	20-May-24	19-May-25
EQUITY BANK	1,500,000	9.50%	20-Aug-24	19-Aug-25
I&M BANK	1,000,000	10.00%	25-Sep-24	24-Sep-25
ECOBANK	1,000,000	10.00%	26-Sep-24	25-Sep-25
BOA	600,000	10.00%	29-Oct-24	28-Oct-25
BK	1,500,000	9.00%	14-Oct-24	14-Oct-25
BPR	500,000	10.50%	8-Oct-24	8-Oct-25
BPR	500,000	10.00%	12-Nov-24	11-Nov-25
	10,050,000			

14. Other assets

	2024	2023
	Frw'000	Frw'000
Other receivables	259,591	87,062
Value added tax	242,942	36,742
Prepaid expenses	35,967	12,761
Rent receivables	53,216	77,381
Deposit and repayments	91,315	85,857
Tax receivables	1,798,669	1,185,353
Other	31,542	30,789
	2,513,242	1,515,945



15 Related party transactions

Sanlam Allianz General Insurance Plc is indirectly owned 100% by Sanlam Allianz Africa Group. The ultimate parent is Sanlam Allianz Africa Proprietary Limited, an unlisted investment holding company jointly controlled by Sanlam Limited domiciled in South Africa, and Allianz SE, domiciled in Germany. Sanlam Allianz Africa Group Limited through Sanlam Emerging Markets PTY Limited has invested in the following companies: Sanlam Rwanda Limited, SANLAM Assurance Générales Plc, SANLAM Vie Limited, and SANLAM Towers Limited. Sanlam Allianz General Insurance Plc has investments in SANLAM Towers Limited.

a) Due from related parties

	2024 Frw'000	2023 Frw'000
Sanlam Allianz life Plc	7,554	29,197
Soras Towers Limited	-	305
Sanlam Emerging Markets	435,079	104,091
SAHAM Assistance	1,816	28,978
Sanlam TOGO	-	1,977
	<u>444,449</u>	<u>164,548</u>

b) Due to related parties

Sanlam Rwanda Limited	24,063	45,821
	<u>24,063</u>	<u>45,821</u>

c) Compensation of key management personnel

Key management personnel of the Company include all Directors and senior management. The summary of compensation of key management personnel for the year is as follows:

	2024 Frw'000	2023 Frw'000
Salaries	2,113,237	2,157,534
Medicals and expenses	128,910	141,508
Social security contribution	113,221	90,397
	<u>2,355,368</u>	<u>2,389,439</u>



15 Related Party transactions (continued)

d) Related party transactions (continued)

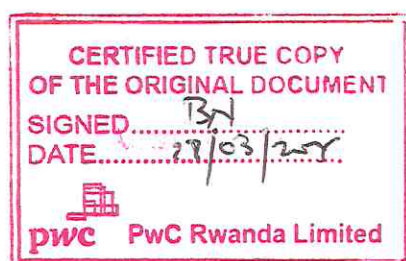
Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2024, the company has not recorded any impairment of receivables relating to amounts owed by related parties.

The following transactions were carried out with related parties during the year

Sales to related party	Nature of transaction	2024 Frw'000	2023 Frw'000
SANLAM Vie PLC	Motor insurance	10,837	14,834
	Property insurance	9,556	12,135
	General accident	112	-
	Medical insurance	3,371	89,710
		23,876	116,679
SANLAM Towers	Motor insurance	1,416	3,042
	Liability insurance	5,005	5,005
	Property and motor insurance	29,081	29,081
		35,502	37,128

e) Directors' emoluments

	2024 Frw'000	2023 Frw'000
Non- executive	128,954	91,386
	128,954	91,386



16 Income tax expense

(a) Deferred income tax liability

Frw'000	Tax rate	1 January	Current year charge/ (credit) to profit or loss	31 December
2024				
Investment property		1,520,724	(28,405)	1,492,319
Property and equipment		623,028	(19,643)	603,385
Other temporary differences		(604,453)	61,739	(542,714)
Balance as at 31 December 2024	28%	1,539,299	13,691	1,552,990
2023				
Investment property		1,641,737	(121,013)	1,520,724
Property and equipment		683,526	(60,498)	623,028
Other temporary differences		(1,554,628)	950,175	(604,453)
Balance as at 31 December 2023	29.40%	770,635	768,664	1,539,299

(b) Income tax charge

	2024	2023
	Frw'000	Frw'000
Current income tax charge	481,020	960,557
Deferred income tax charge	13,691	768,664
	494,711	1,729,221

(i) Reconciliation of effective tax rate

The income tax charge on the Company's profit differs from theoretical amount that would arise using the basic rates as following:

	Effective tax rate	2024	Effective tax rate	2023
	%	Frw'000	%	Frw'000
Accounting Profit		851,641		2,526,770
Income tax at statutory rate	28%	238,460	29%	742,940
Effects of non-deductible expense	30%	256,251	39%	988,736
Effects of changes in tax rates	0%	-	-5%	(115,031)
Effects of IFRS 17 adjustments	0%	-	4%	112,576
	58%	494,711	68%	1,729,221





17 Cash and cash equivalents

	2024	2023
	Frw'000	Frw'000
Cash on hand	2,679	172,319
Bank balances	5,802,072	7,508,114
Expected credit loss	(5,312)	(5,088)
	<u>5,799,439</u>	<u>7,675,345</u>
Movement in expected credit loss:		
	2024	2023
	Frw'000	Frw'000
At 1 January	5,088	-
Charge for the year	224	5,088
31 December	<u>5,312</u>	<u>5,088</u>

18 a) Share capital and share premium

	Number of shares	Ordinary shares Frw '000	Share premium Frw '000	Total Frw '000
At 1 January 2022, 31 December 2022, 31 December 2023 and 31 December 2024	795,685	7,956,851	4,963,273	12,920,124

The total authorised number of ordinary shares is 795,685 (2023: 795,685), with a par value of Frw 10,000 per share (2023: Frw 10,000 per share). All issued shares are fully paid. There is one class of ordinary shares. All shares issued carry equal voting rights.

b) Share premium

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

c) Revaluation reserves and other reserves

Other reserves - The other reserves are attributable to changes in fair value of investment property. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise and appropriated from retained earnings to other reserves. The reserve is non-distributable unless the investment property is sold.

Revaluation reserve-The revaluation reserve represents the surplus on the revaluation of buildings and freehold land net of deferred income tax. The reserve is non-distributable. There was a revaluation in the year done on building.

d) Accumulated losses

This comprises of current year losses and prior year losses plus accumulated losses brought forward.

	31-Dec 2024	31-Dec 2023
	Frw '000	Frw '000
At start of year	(2,759,766)	(3,861,903)
Profit for the year	356,930	1,102,137
At end of year	<u>(2,402,836)</u>	<u>(2,759,766)</u>

19 a) Other liabilities



	2024	2023
	Frw'000	Frw'000
Accrued expenses	20,371	6,917
Deposits payable	598,943	545,381
Transitory account	214,396	312,405
Government medical fund payable	98,682	40,236
Pay As You Earn	81,329	67,986
Special Guarantee Fund	48,232	50,831
Rwanda Social Security Board	25,593	21,629
Other payables	551,540	1,353,919
BNR supervision fees payable	103,576	119,940
	<u>1,742,662</u>	<u>2,519,244</u>

All trade and other payables are current liabilities and will be settled in less than 1 year.

19 b) Provision for staff cost

	2024	2023
	Frw'000	Frw'000
Loyalty fees	103,662	82,293
Long-term retainers payable	21,068	15,871
Leave pay provision	162,246	63,651
Staff bonus provision	357,588	299,909
	<u>644,564</u>	<u>461,724</u>

20 Investments in associates accounted for using the equity method

31 December 2023

Investment in associate	Interest held	2024	Disposal/Mvt's	2023
		Frw'000	Frw'000	Frw'000
Soras Towers Ltd	23.2%	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>

The associates are unquoted and have the same year end as the Company. The investment in the associates comprises the share of net asset value in associate. SORAS Towers Ltd is incorporated in Rwanda, and it is accounted for using the equity method.

20 Investments in associates accounted for using the equity method (continued)

The Company's investment in Soras Tower Limited was fully impaired at 31 December 2024, as the associate recorded a negative equity as below:

SORAS Towers Limited	2024	2023
	Frw'000'	Frw'000'
Total assets	14,304,854	13,354,948
Total liabilities	17,597,965	13,697,132
Net assets (100%)	(3,293,111)	(342,184)
Sanlam AG share of net assets 23.2%	-	-





IV. DETAILED REVENUE ACCOUNT AS AT 31 DECEMBER 2024 (AMOUNTS IN FRW' 000)

INSURANCE BRANCH	Gross written premium	Policy administration fees	Change in unearned premium	Premium ceded (Gross) (-)	Reinsurance & Coinsurance commission	Claims paid	Reinsurance portfolio claims paid	Change in OSCR	Claims incurred (-)	Commission paid (-)	Management expenses (-)	Net underwriting P&L
MOTOR	9,237,652	148,058	374,932	1,052,813	3,216	4,238,887	617,366	1,029,980	4,651,501	1,008,920	2,314,855	(14,095)
PROPERTY	2,539,737	45,365	186,425	1,528,442	419,414	172,866	88,161	89,074	173,779	147,042	545,751	423,077
LIABILITY	1,450,499	3,070	51,307	1,103,399	133,021	24,399	-	68,018	92,417	81,751	306,955	(49,239)
TRANSPORTATION	42,463	425	(13,099)	14,412	-	606	-	19,834	20,440	10,877	9,056	1,202
ACCIDENT	286,209	11,546	(7,685)	6,107	1,527	30,555	-	7,386	37,941	31,332	62,836	168,751
MEDICAL ENGINEERING	11,525,311	55,963	(11,950)	1,151,849	403,476	7,872,620	759,557	560,117	7,673,180	659,021	2,209,038	303,612
	2,351,372	1,915	12,022	2,051,976	284,465	10,603	14	(22,564)	-11,975	54,204	496,962	34,563
GUARANTEE	(281,705)	25,340	(21,734)	(442,478)	(32,278)	3,319,647	1,761,953	1,228,431	2,786,125	28,997	(54,233)	(2,585,320)
TOTAL	27,151,538	291,682	570,218	6,466,520	1,212,841	15,670,183	3,227,051	2,980,276	15,423,408	2,022,144	5,891,220	(1,717,449)



IV. DETAILED REVENUE ACCOUNT AS AT 31 DECEMBER 2023 (AMOUNTS IN FRW' 000)

INSURANCE BRANCH	Gross written premium	Policy administration fees	Change in Unearned premium	Premium ceded (Gross) (-)	Reinsurance Coinsurance commission	Claims paid	Reinsurance portfolio claims paid	Change in OSCR	Claims incurred (-)	Commission paid (-)	Management expenses (-)	Net underwriting P&L
MOTOR	7,497,522	134,097	841,361	1,594,830	4,531	4,555,614	340,439	(8,555)	4,206,620	692,757	2,507,301	(2,206,719)
PROPERTY	2,169,222	44,050	119,566	1,356,553	381,730	135,256	46,353	(7,835)	81,068	120,988	611,885	304,942
LIABILITY	1,187,875	2,115	(1,439)	875,462	99,183	18,879	10,000	12,412	21,291	69,486	328,987	(4,614)
TRANSPORTATION	25,738	100	(7,406)	16,019	160	-	-	-	-	7,438	7,143	2,804
ACCIDENT	324,832	11,779	11,179	15,742	56,442	23,904	-	16,589	40,493	31,725	93,060	200,854
MEDICAL ENGINEERING	9,582,452	59,033	(1,625,744)	956,220	189,013	7,752,291	765,225	(257,581)	6,729,485	631,716	1,527,962	1,610,859
	2,236,956	1,765	25,719	1,972,727	170,627	109,172	82,430	29,783	56,525	57,186	618,920	(321,729)
GUARANTEE	963,438	27,975	18,264	769,012	122,729	2,245,257	2,154,607	(16,568)	74,082	24,141	274,091	(45,448)
TOTAL	23,988,035	280,914	(618,500)	7,556,565	1,024,415	14,840,373	3,399,054	(231,755)	11,209,564	1,635,437	5,969,349	(459,051)