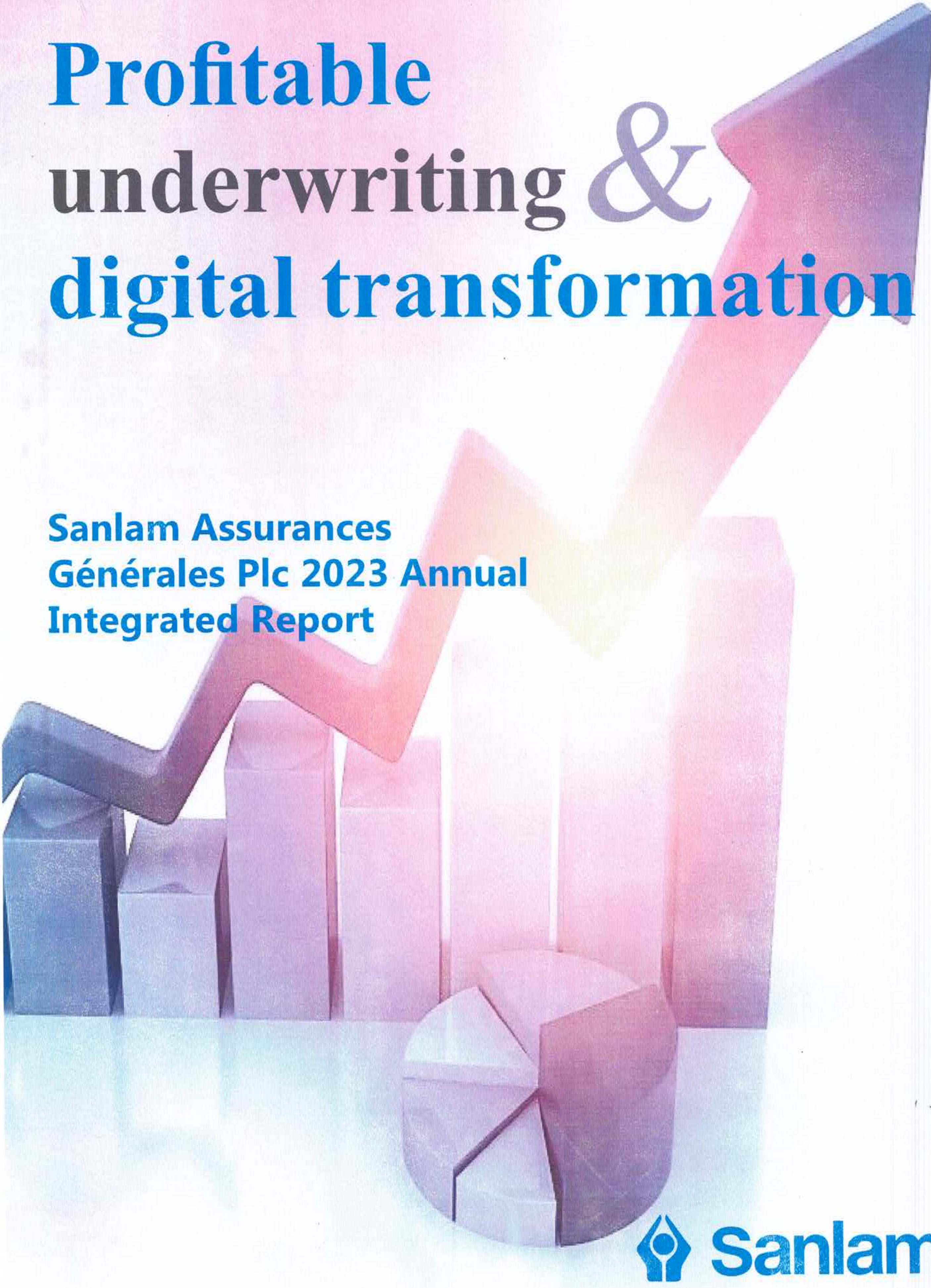
Profitable underwriting & digital transformation



Sanlam Assurances Générales Plc 2023 Annual Integrated Report

Sanlam

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The Current Strategic Plan

Vision

Sanlam AG Plc has a vision to maintain its market position as the leading and most client centric general insurance company in Rwanda.

Mission

Provide total and competitive insurance cover to our clients backed by unequivocal professional and personalized services.

Be innovative in products development and diversify the channels of distribution.

2023 Theme: Profitable underwriting and digital transformation

Introduction to the group

About the group

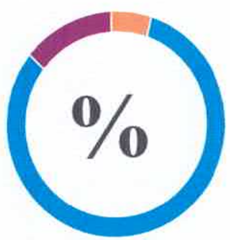
Sanlam Group began as a life insurance company in South Africa and has evolved into a diversified financial services group with a strong presence across Africa, India, and select emerging and developed markets. It is listed on the Johannesburg, A2X, and Namibian stock exchanges. With over a century of experience, much of it as a mutual insurer, Sanlam has expanded its operations beyond Africa, with significant insurance business interests in India, Malaysia, and the United Kingdom, as well as presence in the USA, Australia, the Philippines, and Lebanon. The Group also invests heavily in communities across the 33 African countries where it operates, through its various business clusters.

Our global Footprint

Sanlam holds the most extensive insurance footprint on the African continent, with a direct presence in 34 countries.

Sanlam is Africa's largest insurance group by market capitalization and one of the most globally active insurance groups, with operations in 44 countries outside of South Africa. Through its subsidiary, Sanlam Emerging Markets (SEM), Sanlam holds the most extensive insurance footprint on the African continent, with a direct presence in 34 countries. Sanlam's holistic approach to business makes it a preferred partner for international insurance brokers and developed market insurers seeking insurance and employee benefits solutions across Africa.

Net result from financial services



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15
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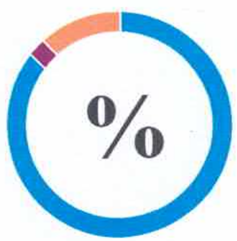
Net result from financial services



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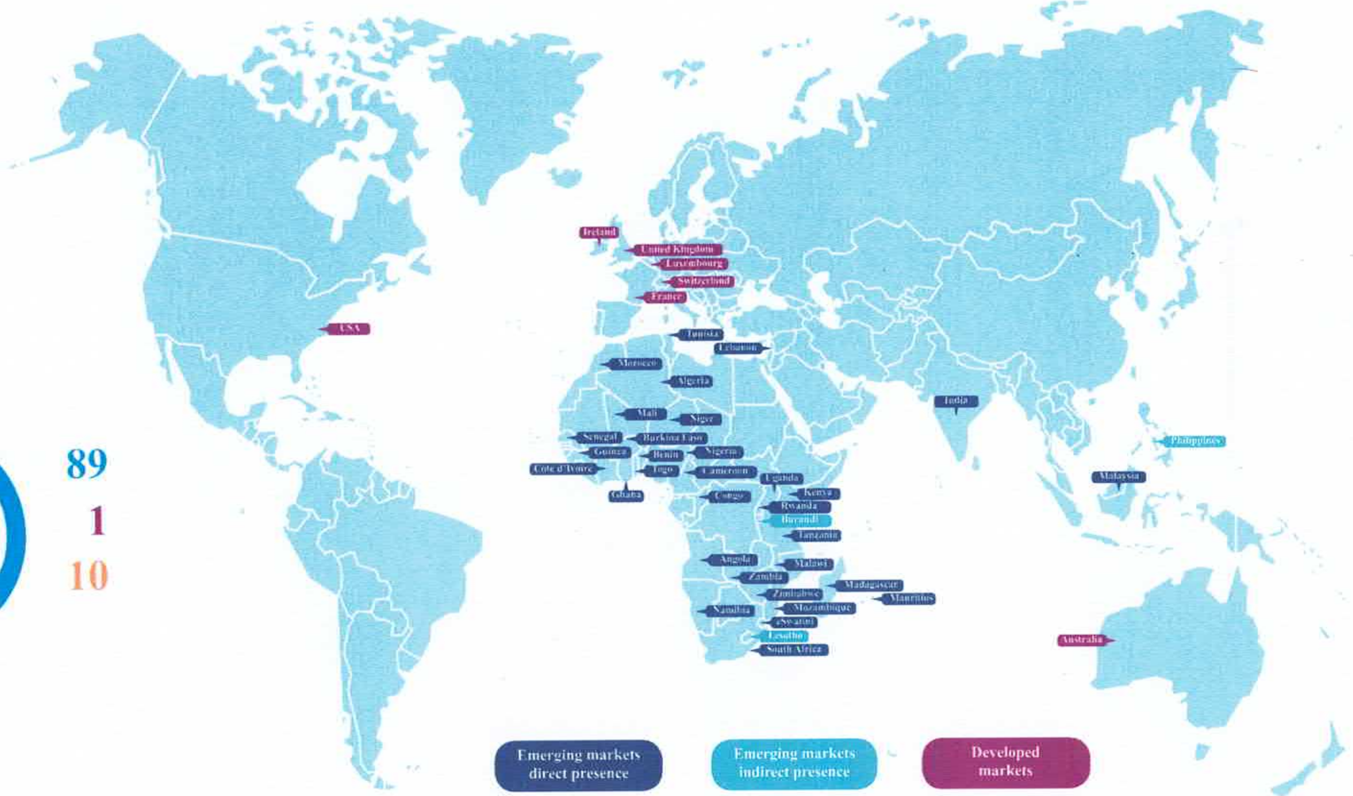
1
10

- Africa
- Other emerging markets
- Developed markets



About Rwandan Subsidiary Operations

Sanlam AG Plc, a leading insurer in Rwanda, offers a wide range of non-life insurance solutions with a focus on choice, innovation, and flexibility. As part of the Sanlam Group, the largest non-banking financial services provider in Africa, Sanlam AG Plc benefits from the Group's vast industry experience. Sanlam entered the Rwandan market in 2014 by acquiring a 63% stake in SORAS, a Rwandan insurer. This partnership grew stronger over the years, culminating in the full acquisition of SORAS in 2018, making it a wholly-owned subsidiary of the Sanlam Group.

Further expansion included Sanlam Group's acquisition of 100% interest in the Moroccan-based Saham Finances. The two Rwandan subsidiaries, SORAS Assurances and Saham Assurances Rwanda, were merged, and the company was rebranded in November 2019 to align with the global Sanlam brand. With the Group's extensive experience, Sanlam AG Plc is committed to offering high-quality products and services, ensuring profitable and sustainable growth while upholding the values of integrity, professionalism, and teamwork to deliver customer-centric and innovative services.

Why partner with Sanlam AG Plc

We have continued to demonstrate resilience and strong performance amid turbluence. This steadfastness has cemented our reputation as a trusted brand in our market.

Rwanda is an emerging market with high economic growth potential and low financial services penetration with Sanlam AG Plc being a positioned player. This vides us with a leveraged true growth opportunity as we are well positioned to meet the demand for financial solutions arising in the country.

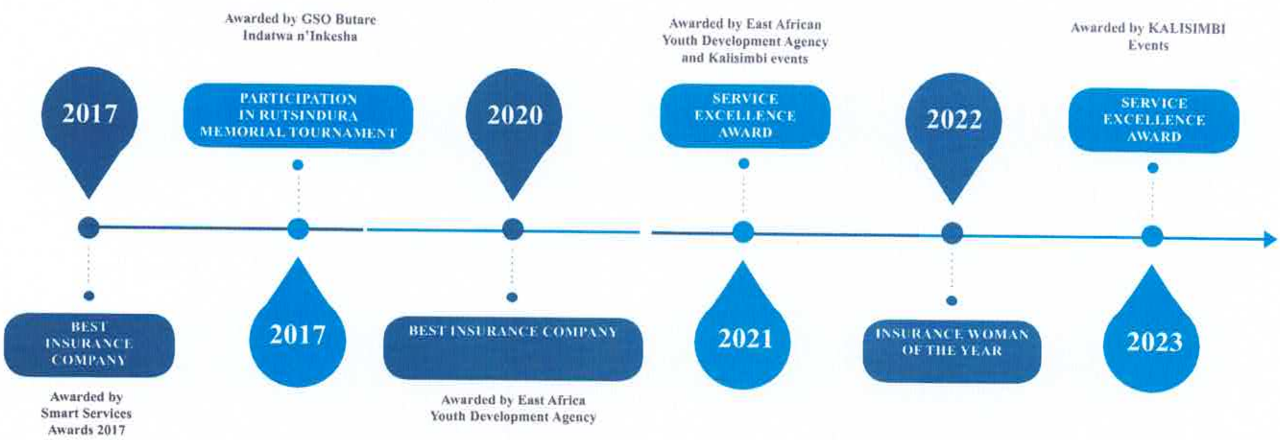
We have a dynamic Executive committee with diverse skills and experience. They have appropriate accountabilities and incentives linked to financial and non-financial indicators to drive high performance and embed a competitive culture.

Our distribution approach creates seamless interaction and comprehensive support customers and potential customers encompassing ore more than 200 supporting agents-positioned player. This vides us with a leveraged true growth opportunity s we are well positioned to meet the demand for financial solutions arising in the country.

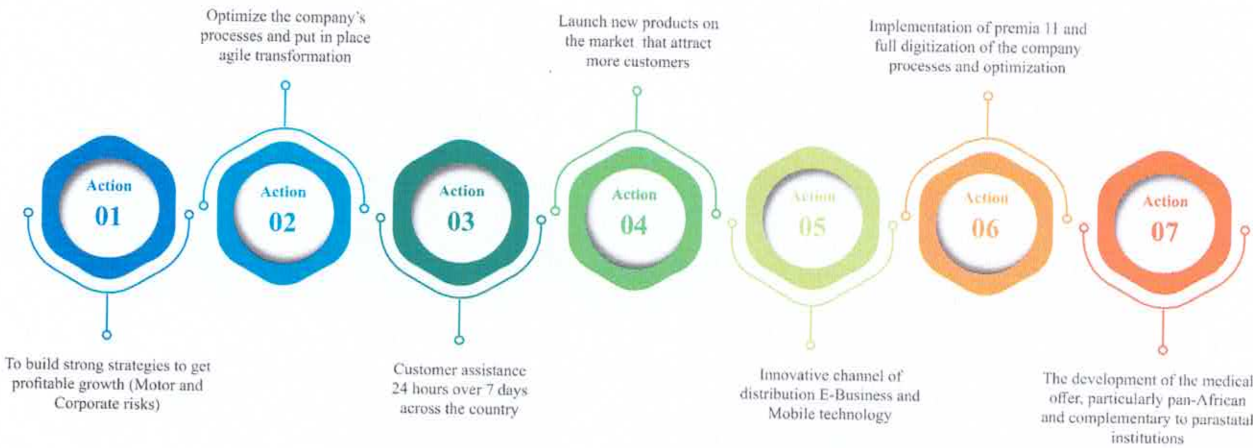
We continually assess our strategy to ensure it remain relevant and that we can continue to create value of the short, medium and long term.

We have adopted increased digitization, data analytics and etc. distribution to support digital transformation as a key enabler in meeting strategic goals.

SANLAM AG PLC AWARDS, CERTIFICATIONS, TITLES



Sanlam AG Plc
Growth Strategy overview

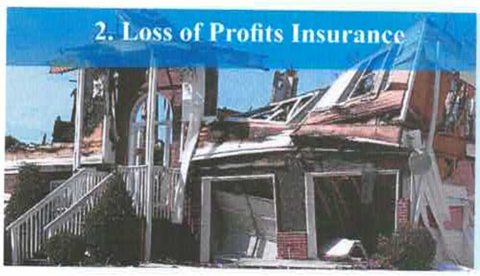


Sanlam AG Plc's local market operations

1. Fire Insurance

The basic cover provided by a standard fire policy is against loss of destruction or damage to the insured property by: Fire, Lightning, Explosion of boilers used for domestic purposes only, or in a building not being part of any gas used for domestic purposes or used for lighting or heating the building.

2. Loss of Profits Insurance



The Loss of profits insurance makes good the effect of business disruption following a fire damage, to the extent that, during the period during which the business is interrupted, the Net profit, (after the payment of all overhead expenses and any other expenses which continue either partially or in full), will be the same as had the damage not occurred. The policy holder will also be able to retain essential employees or if he wishes all employees, until the business is back to normal, by paying their normal wages or salaries.

3. Group Personal Accident

Group would normally refer to a Company of more than five (5) employees, but the common reference is Personal Accident which would normally refer to an Individual cover.

4. Personal Accident

The Insured Benefits are the same (Personal or Group) and must be as a result of an "ACCIDENT", an unexpected event that is violent and visible from an external force or motion.

5. Fidelity Guarantee

This class of business is by general practice excluded under most of the Insurance Treaties because of its high moral hazard exposure. It depends on the type of policy to underwrite.

6. Money Insurance

The basic operation cover is to indemnify the Insured against the Loss by robbery and or theft including armed hold up of money in transit or on the premises and or as described under the policy schedule.

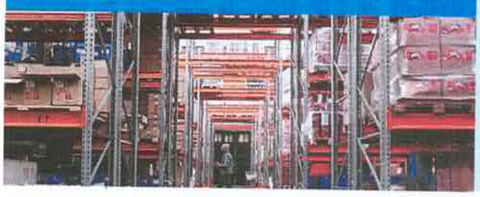
7. All Risks Insurance

All Risks policy is specifically intended to cover the Insured property that is of high intrinsic value and which is likely to be on the move or movable at any time, not confined to specific premises. The extended cover of accidental damage whilst in a prescribed premise or in the situation, makes it attractive to the Insured or Brokers, rather than the conventional Fire and Theft Insurances.

8. General Public Liability

It is important to note that because of increased awareness of the public and the Government including the private sector, this Insurance policy is getting to be more common especially in the commercial and Industrial transactions. It is also important to note the legal aspect of this cover because it basically covers Loss or damage to third party property including Death or Injury and the legal fees, due to negligence, error or omission.

9. Products Liability



Some Underwriters prefer to give this type of Insurance as an extension of the General Public Liability cover. The Operative cover is the same as under PL, except that, it restricts itself to the Insured Products either sold, distributed or manufactured whilst in his control or whilst on Insured premises.

10. Bonds

Bonds are a form of Guarantee given by an Insurance against:

a) Financial undertaking
b) Performance or supply
c) Honesty and ability on part of the Insured.

11. Contractors All Risks

A Vibrant Construction Industry is usually used as a barometer for the Economic development of a Nation. The more construction activities in terms of Infrastructure, Roads, Buildings, power generating dams etc, there is, the more upsurge of economic activities there is. Hence the importance of this type of Insurance because it basically offers cover against:
"Loss or Damage, including liability arising there from, to Contract Works and Material, including the construction equipment and Machinery."

12. Marine Insurance

Marine Insurance is probably the oldest class of Insurance in the world, and forms an essential tool to the credit transactions in the International Trade and therefore world economic development.

13. Goods In Transit Or Marine Inland Insurance

As the description suggests, this policy is intended to cover the Cargo or goods whilst being transported in-land by Road or by Rail.

14. Medical Insurance

Providing both outpatient and inpatient health care, the aim of this health insurance is to guarantee the refunding of medical fees that become necessary following an accident, a disease or maternity incurred following a prescription given by a graduated medical doctor. Funeral expenses coverage in case of death may be inserted into the contract as optional.

15. Risks covered on Request

- Workmen's Compensation
- Employers Liability (Common Law)
- Domestic Package Insurance
- Plate Glass Insurance
- Golfers Insurance
- Professional Indemnity
- Erection All Risks
- Contractors Plant And Machinery Equipment
- Boat Liability Insurance
- Students Liability Insurance

16. Motor

It covers :

- Third party (compulsory by law)
- Comprehensive (theft, fire, own damages to the vehicle, glasses, etc...)
- Road safety (optional) : It covers expenses arising from physical injury of people who were in an insured car during an accident. Those people are the driver of the vehicle, the owner of the vehicle and their spouses, their parents, close relatives and their employees during their service.

17. Travel Insurance

This class of business is whereby the insurer commits to cover "the trip "of the insured. "The trip "starts when the insured leaves his/her residence and expires when she/he comes back home or on the expiry date.

2. Group Chairman's note

Dear Shareholders, Clients, and Stakeholders,

I am honored to present to you the Annual Integrated Report for the year 2023 on behalf of the Board of Directors of Sanlam AG Plc. The year was a defining period for our company, marked by significant advancements towards profitability, digital transformation, and optimization of our business lines.

In 2023, the insurance industry continued to navigate complex global dynamics, including persistent inflationary p ressures a nd e conomic volatility. Despite these challenges, I am proud to report that Sanlam AG Plc has made substantial progress towards achieving profitable underwriting, a key focus area for our firm. Through disciplined risk management and strategic product offerings, we have strengthened our underwriting performance, ensuring that profitability is the focus of our operations.

Our commitment to digital transformation has been unwavering, as we recognize that technology is not just a tool but a critical enabler of our long-term success. Over the past year, we have accelerated the adoption of cutting-edge digital solutions to enhance customer experience, streamline our operations, and optimize our cost structures. These efforts have not only improved efficiency but have also positioned Sanlam AG Plc as a leader in delivering innovative insurance solutions tailored to the evolving needs of our clients.

Additionally, we have taken decisive steps to optimize our business lines, focusing on areas with the greatest potential for growth and profitability. By refining our product portfolio and enhancing our service delivery, we have successfully aligned our offerings w ith m arket d emands, e nsuring t hat we remain competitive and relevant in an ever-changing industry landscape.

I would like to extend my deepest gratitude to the Board of Directors for their strategic guidance and unwavering support throughout the year. I also wish to acknowledge the dedication and hard work of our exceptional Acting Chief Executive Officer, Felix Ndatsinze, and our entire team. Their commitment to excellence has been instrumental in driving our success.

To our valued clients, thank you for your continued trust and loyalty. Your confidence in Sanlam AG Plc inspires us to strive for excellence in everything we do.

We remain focused on building a stronger, more resilient Sanlam AG Plc. We are committed to seizing emerging opportunities, navigating challenges, and creating sustainable value for our shareholders and the communities we serve.

Yours sincerely,
Shumbusho R. Vianney
Chairperson of the Board of Directors
Sanlam AG Plc

Our commitment to digital transformation has been unwavering, as we recognize that technology is not just a tool but a critical enabler of our long-term success. Over the past year, we have accelerated the adoption of cutting-edge digital solutions to enhance customer experience, streamline our operations, and optimize our cost structures.

Sanlam AG Plc has implemented several digital platforms designed to enhance client experience, streamline processes, and improve service delivery. These platforms provide a range of functionalities that cater to the specific needs of customers, partners, and internal stakeholders.

The table below provides an overview of the digital platforms currently offered by Sanlam AG Plc:

#	Platform	Description
1	USSD	- Enables clients to check the expiry date of their motor insurance.
		- Facilitates the extension or renewal of third-party motor insurance.
		- Assists clients in identifying their medical cards.
2	Portals for CRM Bancassurance	- Supports banks in underwriting bancassurance, ensuring seamless integration and efficient management of bancas-surance policies.
3	Customers Portal	- Allows clients to notify the company of any claims that have occurred.
		- Provides clients access to their motor insurance contracts.
		- Enables clients to extend or renew their third-party motor insurance (via the E-Boutique feature).
		- Assists clients in identifying their medical cards.
4	MIS (Medical Claims)	- Helps pharmacies identify Sanlam AG Plc customers quickly and accurately.
		- Sends immediate notifications to Sanlam AG Plc regarding any pharmacy claims as soon as a client is served, facilitat-ing prompt processing and support.

These platforms are key to Sanlam AG Plc's digital transformation strategy, enabling greater customer satisfaction, operational efficiency, and responsiveness in the insurance sector. Through continuous innovation and adoption of these digital solutions, Sanlam AG Plc is committed to providing accessible and user-friendly services that meet the evolving needs of its clients.

Group Board of Directors & their profiles

Sanlam AG Plc has a 5-member Board of Directors made up of thought and industry leaders with insights on legal, economic and insurance trends among others.

The responsibility of the Board and roles of Directors are articulated in accordance with the corporate governance regulation, company law, Company's Board Charter and the memorandum and articles of association.

Board Meetings:

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

In 2023, the attendance at Board meetings is set out below:

No	Names	Independence	Attendance	Term in office
1	Mr. SHUMBUSHO R. Vianney	Independent	4	2nd term
2	Mr. HABIMANA Jose	Independent	4	2nd term
3	Mr KAYITARE Celestin	Independent	4	2nd term
4	Mrs. Linda KALIMBA MULENGA	Independent	4	2nd term
5	Mrs. Anita KAGENZA	Independent	4	2nd term
6	Mr. Tinashe GARAPO	Non independent	4	2nd term
7	Mr Abdellatif MOUAD	Non independent	4	1st 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 Assurances Générales 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 and one non-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 Assurances Générales 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 2023, the Board Audit Committee members and attendance of meetings is set out below:
In 2023, the Board Audit Committee members and attendance of meetings is set out below:

No	Names	Number of meetings held	Number of meeting attended
1	Mr. HABIMANA Jose (Chairman)	4	4
2	Mrs. Anita KAGENZA	4	4

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

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 2023, the Board Underwriting and Claims Strategy Committee members and attendance of meetings is set out below:

No	Name	Independence	Number of meetings held	Number of meetings attended
1	Mr. KAYITARE Celestin (Chairman)	Non-executive director	4	4
2	Mr. SHUMBUSHO R. Vianney	Non-executive director	4	4
3	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 2023, the Board Risk Management Committee members and attendance of meetings is set out below:

No	Name	Independence	Number of meetings held	Number of meeting attended
1	Mrs. Linda KALIMBA MULENGA (Chairperson)	Non-executive Director	4	4
2	Mr. HABIMANA Jose	Non-executive Director	4	4
3	Mr. KAYITARE Celestin	Non-executive Director	4	4

Sanlam

Profiles

Vianney Rurangirwa SHUMBUSHO

Chairperson - Board of Directors

Shumbusho Rurangirwa Vianney is a seasoned business executive and consultant with over four decades of experience in various leadership roles across Africa. He holds a Master's degree in Business Administration from the University of Nairobi, obtained in 1983, and a Bachelor's degree in Accounting and Economics from Addis Ababa University, Ethiopia, which he earned in 1980. Vianney has a distinguished career in management consulting, currently serving as the Managing Consultant of High Impact Consulting Ltd since February 2014. Before this, he was a Director and Senior Consultant at Tetralink Taylor & Associates-East Africa, where he worked from February 2010 to January 2014. His expertise in management and leadership was further demonstrated during his tenure as Executive Director of Inspire Management Institute (IMI) from August 2008 to February 2010. Vianney also has extensive experience in international relations and governance, having served as the Chief of Staff and Head of the Bureau of the Deputy Chairperson of the African Union Commission from December 2003 to April 2008. In addition, he has held significant roles in the banking sector, including his position as the former Chairman of ECOBANK Rwanda. Throughout his career, Vianney has been known for his strategic insight, leadership acumen, and commitment to driving organizational excellence.

Jose HABIMANA

Jose is a management expert with experience working in a number of corporations in Rwanda, Africa and Europe. Among the positions he has previously held include acting Chief Financial Officer at TIGO Rwanda Ltd; Financial Planning and reporting Manager at TIGO Rwanda, Financial Analysis and Business Planning Manager at VIZZION Europe in Belgium; Financial Analyst at ING Real Estate Investment Management Belgium.

He has also served as Senior Auditor, Price Waterhouse Coopers, Luxembourg Coast Region, Underwriting, senior marketing consultant, Marketing Manager in Southern Africa. Since March he has been a member of the SANLAM Emerging Markets team looking after General Insurance in West and East Africa.

Jose holds a master's degree in business administration (Finance) from Maastricht School of Management, a bachelor's degree in applied economics, University of Kinshasa. He is a Member of the International Society of Performance Improvement (ISPI).

Linda Kalimba MULENGA

Linda is an experienced lawyer specializing in Commercial/corporate law and transactional practice in Rwanda and beyond. She has spent her last 20 years in both private and public sectors. An experienced lawyer, ex-diplomat, trade and investment facilitator, accredited negotiator, mediator and arbitrator, taxation and customs expert, Linda brings comprehensive understanding and skill in dealing with both regional and international, public, and private sector bodies and matters.

Linda is the Managing Partner of Trinity Lawyers in Kigali, Rwanda, a premier commercial law firm specializing in a range of legal services, from dispute resolution, corporate advisory, and transactions in sectors such as banking and finance, energy and mining, real estate, construction, insurance etc. She is also the Corporate Governance Lead for the International Finance Corporation (IFC) in Rwanda. Linda previously served as First Counsellor for the Rwandan High Commission in the United Kingdom and Ireland, as well as legal for Rwanda Revenue Authority where she significantly contributed to various customs and tax law reforms. Linda played an integral role in Rwanda's regional and international integration as one of the negotiators on the lead technical teams that worked on Rwanda's admission to the East Africa Community and Commonwealth Association. Linda holds a bachelor's in law (LLB) from the National University of Rwanda in Butare, a Masters (LLM) in International Economic Law from the University of Warwick and is a member of the Rwanda Bar Association and East African Law Society.

She is currently a private legal practitioner and serves on boards of various private entities and public corporations including Bank Populaire du Rwanda (BPR), Aviation Travel and Logistics Holding Ltd (ATL), Sanlam Insurance, and East African Business Council.

Celestin KAYITARE

Celestin is the Director General of National Post Office, Rwanda, a position he has held since 2006. He has previously served as Chief Executive and Chairman of National Insurance commission as well as Acting managing Director, BACAR.

Other previous roles include Permanent Secretary in the Ministry of Trade and Industry, Director General, Rwanda Tea Development Authority and Director General, Imprimerie Scolaire (IMPRISCO).

Celestin holds a Business Administration master's from York University from Toronto, Canada, and a Bachelor of Commerce, Makerere University, Kampala, Uganda.

Anita KAGENZA

Chief Finance Officer of CVL

Anita Kagenza is currently the Chief Finance Officer of CVL. Prior to this she has served in various roles within CVL and its subsidiaries since 2008.
Anita holds a bachelor's degree in accounting and finance from the Catholic University of Eastern Africa, Kenya.

Anita has more than 10 years' experience in budgeting, financial reporting, consolidation and financial operations and as a result has gained invaluable and enormous experience.

She has been key in growing the group finance and setting up systems and policies across the CVL Group. She has also contributed to the strategic development of investments within CVL. Anita also serves as the chairperson of the audit and risk committee of East African Granite Industries Ltd.

Executive management

Felix NDATSINZE

Acting Chief Executive Officer

Felix Ndatsinze became Chief Finance Officer (CFO) of SAHAM Assurance Rwanda Ltd (non-life) in June 2016, prior to being appointed as Chief Finance Officer of Sanlam AG Plc.
Before joining SAHAM, he worked as a tax and audit manager in GPO Partners Rwanda recognized by the Institute of Certified Public Accountants of Rwanda (ICPAR) and accredited by BNR. Mr. Ndatsinze has been a member of the ICPAR since 2013 and a member of the Association of Certified Chartered Accountants (ACCA) London since 2014.

He has a bachelor's degree in accounting from the Kigali Institute of Science, Technology and Management. He also has an MFM (Master's) with specialisation in Financial Management from the University of Rwanda, in collaboration with the Uttar Pradesh University India, sponsored by the World Bank and African Union. He currently sits on various boards of directors.

Jean Claude HODARI

Legal Director

Mr. Hodari was assigned as Claims Director in April 2019. Previously, Mr. Hodari was Claims and Legal Manager of Sanlam AG Plc (December 2012 to April 2019), as well as Corporate Secretary of Sanlam AG Plc (January 2011 to December 2012).
From November 2008 to December 2010, Mr. Hodari was Legal Adviser of the Ministry of Justice and Head of the House of Access to Justice at the Karongi branch. From August 2004 to October 2008, he was Prosecutor for several regions including the Kigali-Ngali Province (2004-2006: Chief Prosecutor), Nyarugenge (2006-2007: Prosecutor – Intermediate level) and Byumba (2007-2008: Prosecutor – Intermediate level). From April 2000 to July 2004, he was Judge and Vice President of Kibungo Intermediate Court.

Mr. Hodari received his bachelor's degree in law (Licence en Droit) from the National University of Rwanda in February 2000, as well as various professional training in Rwanda, the United States of America, Egypt, Burkina Faso and Kenya.

Claudine UWIMANA

Director of HR and Administration

Claudine has a lot of experience first as founding member of "Programme d'identification et d'Ecoute des enfants de la rue ". Claudine started her insurance career at Saham Assurance Rwanda Ltd (Former CORAR S A) from May 2010 to April 2019 in different departments. From April 2019 to February 2021, she was a HR Manager of Sanlam AG Plc.

Claudine is responsible, diligent at work and show strong communication skills. Her knowledge and ability in several disciplines as well as her general understanding of insurance, enable her to approach business words with insight and solid judgement.

She graduated from the National University of Rwanda with a bachelor's degree in law and is currently pursuing a master's degree in international economics and business law.

Thierry Kayumba MUBILIGI

Chief Risk Officer

Thierry Kayumba Mubiligi has been Chief Risk Officer and Company Secretary of Sanlam AG Plc since April 2019, after its merger with SAHAM Assurance Rwanda Ltd, where he was Head of Legal and Compliance and Company Secretary.

Mr Kayumba Mubiligi started his career in 2006, as an in-house counsel at the Media High Council of Rwanda – a public institution in charge of media regulation. He later moved to the private sector in 2010, working as an in-house counsel in Cogebanque Ltd, one of the main commercial banks in Rwanda. In 2015, he joined KCB Bank Rwanda Ltd as Senior Manager, supervising the management of all the bank's collaterals and loans documentation.

Mr. Kayumba Mubiligi joined SAHAM Assurance Rwanda in March 2018 as Head of Legal and Compliance, acting as Company Secretary for both SAHAM Assurance Rwanda (General Insurance branch) and SAHAM Assurance Vie Rwanda (Life Insurance branch) until the merger between Sanlam and SAHAM. He graduated from the National University of Rwanda with a bachelor's degree in law and is currently pursuing a Master's Degree in International Economics and Business Law.

Richard KABALISA

Head of IT

Richard Kabalisa started his career as Deputy Head of the IT Department at Ecobank, and later he joined MTN (Rwanda) as a billing systems and support manager.

In 2010, he joined SAP (CRM and ERP systems) as a consultant where he supervised solutions development and deployment, before becoming Head of the IT Department of LIQUID Rwanda in 2011. In 2013, he was named Head of the IT Department of Sanlam AG Plc, focusing on infrastructure management, business service continuity, data security and controls.

Mr. Kabalisa holds a master's in communication management from the College of Science and Technology (UR), as well as a bachelor's degree in computer science from the University of Cheikh Anta Diop in Dakar (Senegal). The Master's program was done under the coordination of COVENTRY University, UK.

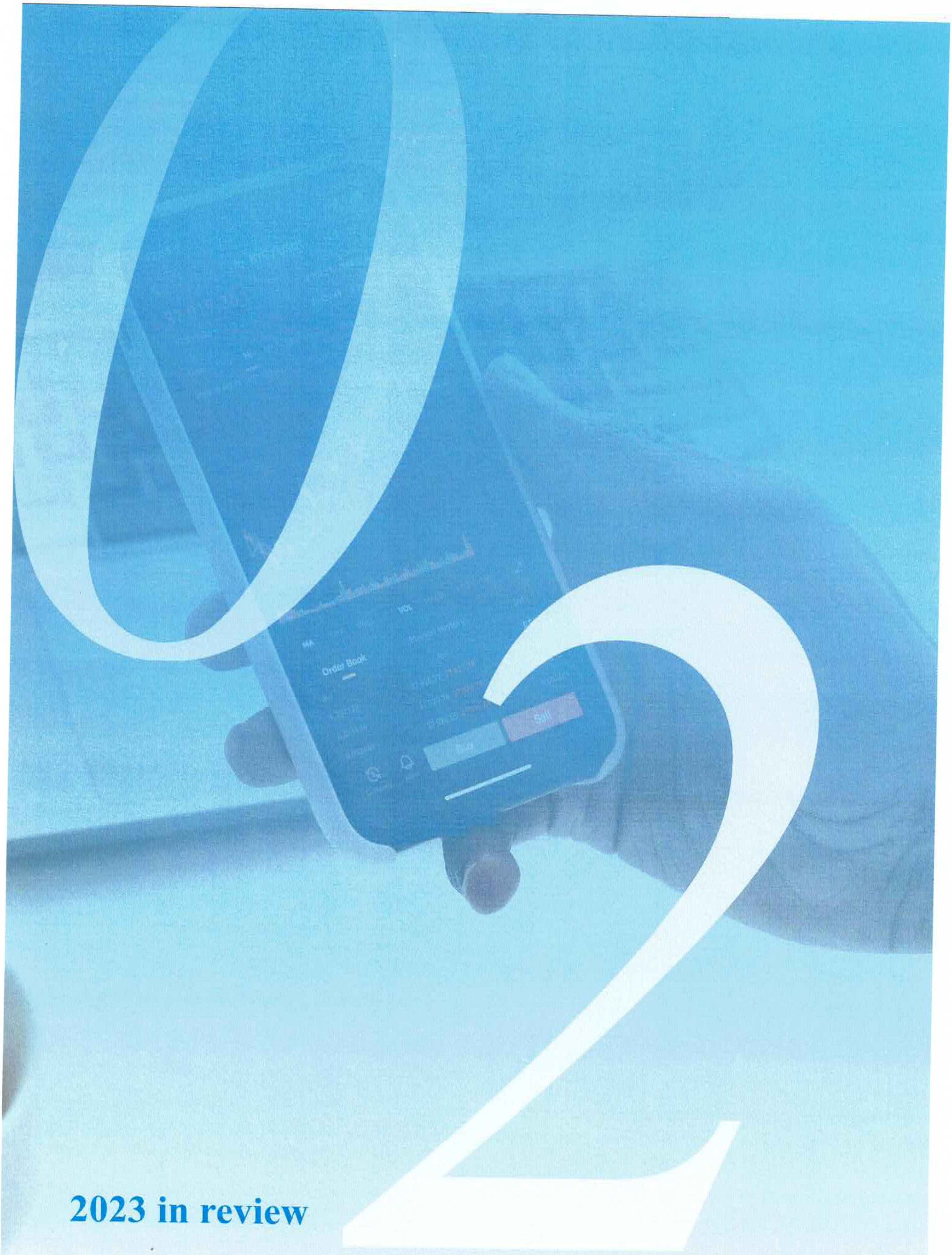
Janvier NDAMUTSO

Chief Internal Auditor

Janvier Ndamutso started his career in 2008 as Financial Auditor at the Office of the Auditor General of State Finances of Rwanda.

In 2013, he joined Ecobank Transnational Incorporation (ETI) as Senior Internal Auditor. In 2017, he joined SAHAM Insurance Rwanda Ltd as Head of their Internal Audit Department before joining Sanlam Assurance Générales Plc as Chief Internal Auditor. He has extensive knowledge and experience in audit planning, execution, reporting and supervision.

He graduated from CEPROMEC in 2010 with an MBA in Project Management and holds a Bachelor's Degree in Accounting Sciences from the National University of Rwanda.



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2023 in review

Acting Chief Executive Officer's welcome note

Dear Shareholders and Stakeholders,

I am pleased to welcome you to the Sanlam AG Plc Annual Report for the year 2023. The year was a transformative period for our company, marked by a steadfast focus on profitable underwriting, digital transformation, and optimizing our business lines to ensure sustainable growth and success.

Throughout 2023, we faced a dynamic and challenging environment. Global economic pressures and inflationary trends continued to shape the landscape, but I am proud to say that Sanlam AG Plc has risen to the occasion. Our commitment to profitable underwriting has been central to our strategy, and we have made significant strides in ensuring that our operations are not only resilient but also yield tangible financial results. This focus has allowed us to maintain strong financial health and position ourselves as leaders in the market.

Digital transformation has also been at the heart of our efforts this year. Recognizing the critical role of technology in driving our business forward, we have accelerated our investment in digital initiatives across the company. By streamlining processes and enhancing customer experiences, we have improved operational efficiency and created more value for our clients. Our digital journey has not only made us more agile but has also opened up new avenues for growth and innovation.

In addition to our digital advancements, we have strategically optimized our business lines to align with emerging market opportunities. By focusing on areas with the greatest potential for profitability, we have been able to strengthen our market position and deliver exceptional results.

Looking ahead, we remain vigilant about external trends, such as the growing impact of climate change on claims and compensation. As we navigate these complexities, our commitment to innovation, customer-centricity, and operational excellence will continue to guide us.

I would like to express my deepest gratitude to our dedicated staff, whose hard work and resilience have been instrumental in achieving our goals. Their commitment to our vision has been a driving force behind our success.

Finally, I extend my heartfelt thanks to our shareholders and stakeholders for their unwavering trust and support. Your confidence in Sanlam AG Plc inspires us to continue striving for excellence and creating long-term value.

We remain committed to empowering our customers and communities through financial security. With our robust strategies and dedication to excellence, I am confident that Sanlam AG Plc is well-positioned for continued growth and success.

Thank you for your continued support.

Ag. Chief Executive Officer
Felix Ndatsinze

Sanlam
Assurances Générales Plc
B P 924 Kigali

"Looking ahead, we remain vigilant about external trends, such as the growing impact of climate change on claims and compensation. As we navigate these complexities, our commitment to innovation, customer-centricity, and operational excellence will continue to guide us.

Economic/sector performance & outlook

Rwanda's insurance sector is divided into two primary categories: Non-life insurance and Life insurance. Additionally, the sector includes four specialized types: Micro insurance, Captive insurance, Health Maintenance Organizations (HMOs), and Mutual Insurance.

The private insurance market comprises 15 companies: 9 offering non-life insurance, 3 offering life insurance, 1 providing micro insurance, 1 Captive Insurance, 1 HMO, and 1 Mutual Insurance. Besides private insurers, the sector also includes two public health insurers: RSSB Medical and MMI. The intermediation landscape features 15 active insurance brokers, 12 bancassurance providers, 1,324 insurance agents, and 30 loss adjusters as of December 2023.

The industry has demonstrated consistent growth, with assets increasing by 16.9% to FRW 963.2 billion in December 2023, up from FRW 824 billion in December 2022. Public medical insurers dominate the sector, accounting for 61.7% of total insurance assets by December 2023, slightly down from 61.9% in December 2022. These public insurers also represent 40.7% of the total Gross Written Premiums (GWP) for the sector.

Rwanda's insurance sector is a significant liquidity source for financial institutions, with insurers holding FRW 372.8 billion in placements as of December 2023. This amounts to 38.7% of the sector's total assets and 7.3% of total customer deposits in financial institutions. This increase in placements was influenced by higher interest rates and a focus on secure investment avenues. Insurers also invested FRW 79.9 billion in local equities, representing 8.2% of their assets, and FRW 311.2 billion in government securities, equivalent to 32% of their assets.

The general insurance segment, classified as short-term, continues to be the largest contributor to private insurance premiums, making up 78.8% of private insurers' premiums and 46.8% of the sector's total GWP as of December 2023. This segment is primarily driven by motor and medical insurance, which together account for 63% of general insurance premiums and 29% of the total GWP for the entire insurance industry.

Performance of Insurance sector

Product Break Down for Non-Life Insurance

Product description (in Frw Million)	Dec-22				Dec-23			
	GWP	NEP	Claims	Claims ratio	GWP	NEP	Claims	Claims ratio
Motor	42,036	37,471	24,977	67%	53,608	44,687	28,062	63%
Property	15,099	4,816	822	17%	19,899	6,036	1,055	17%
Liability	3,401	1,104	913	83%	4,425	1,649	540	33%
Transportation	1,381	657	326	50%	1,549	659	73	11%
Accident& Health	2,732	1,652	388	23%	3,627	1,836	404	22%
Engineering	9,034	1,530	359	23%	11,611	2,294	508	22%
Guarantee	4,631	1,535	110	7%	5,698	1,903	347	18%
Medical	29,701	21,939	14,923	68%	32,847	26,363	16,593	63%
Miscellaneous	6,323	1,998	526	26%	6,366	2,418	624	26%

Source: National Bank of Rwanda

The Private insurance is composed of 14 insurance companies, of which 9 offer non-life insurance products, 3 offer life insurance, 1 micro insurance business, 1 Captive Insurance, and 1 Health maintenance Organization (Eden care). In addition to private insurers, the sector also consists of 2 public health insurers (RSSB Medical and MMI). In the field of intermediation, there are 14 active insurance brokers, 8 banc assurance, 1 544 Insurance agents, and 26 loss adjusters as of December 2022.

The insurance sector continues to grow, industry asset base grew by 17 percent to FRW 824 billion in December 2022 from FRW 701 billion in December 2021.Public medical insurers remain dominant in size with a percentage share of 69.1 percent of the total assets of the insurance subsector as of December 2022, compared to 62.9 percent in December 2021.

In terms of Gross written premiums (GWP), the two public medical insurers share 43 percent of sector's total written premiums. The insurance sector in Rwanda continues to be the provider of liquidity for financial institutions. As at December 2022, total placements of insurers held in financial institutions was FRW 301.4 billion equivalent to 37 percent of total assets of the insurance sector and 8 percent of total financial institutions customer deposits.

The growth in placements was due to increased interest rate and appetite of insurers to invest in safe investment channels. Insurers also held investments in local equities (FRW 123.4 billion) which accounts for 15 percent of theirtotal asset and government securities amounting to FRW 199.6 billion equivalent to 24 percent of their total assets. General insurance (Non-life) business which is considered short term remained the highest contributor to private insurance premiums, with 77.1 percent of premiums of private insurers, and 43.6 percent of the sector's total gross written premiums (GWP) as of December 2022. General insurance business is largely dominated by motor and medical insurance classes of business with combined share of 63 percent of total gross premiums and 27 percent of total insurance industry's premiums.

On the other hand, life insurance is a long-term category of insurance that provides financial compensation of the amount assured at maturity or in case of the death of a policyholder. Life insurance business consists of ordinary life, traditional life, term and credit life products. Ordinary life and Credit protection dominated with 63 percent of gross premiums collected by Life insurance as at December 2022 Sanlam AG Plc is committed to capitalizing on this opportunity, aligning our operations for growth, and contributing to the development and expansion of the insurance sector in Rwanda.

Key factors influencing Rwanda's insurance industry

1 **Climate Change:** Climate change has emerged as a significant influence on the insurance industry in Rwanda. The Central Bank highlighted the increased frequency and severity of natural disasters, such as floods and droughts, resulting from climate change. These events pose risks to both individuals and businesses, necessitating the need for adequate insurance coverage to mitigate potential losses.

2 **Economic Growth and Purchase Power:** Rwanda's economic growth and changes in purchase power have a direct impact on the insurance sector. As the economy expands and incomes rise, there is an increased capacity for individuals and businesses to afford insurance coverage.

3 **Regulatory Environment:** The regulatory environment plays a crucial role in shaping the insurance industry in Rwanda. The NBR oversees the licensing and supervision of insurance companies, intermediaries, and products. Changes in regulations, such as the introduction of new policies or guidelines, can impact market dynamics and insurers' operations.

4 **Technology and Digitization:** The adoption of technology and digitization is transforming the insurance industry in Rwanda. It is important to leverage digital tools to enhance operational efficiency, improve customer experiences, and develop innovative insurance products. Insurers are encouraged to invest in digital infrastructure and services to stay competitive in the evolving market.

5 **Risk Management and Solvency:** Risk management and solvency are critical considerations for the insurance industry. The Central Bank monitors the financial stability and solvency of insurance companies to ensure they can meet their obligations to policyholders. Reports on risk management practices and capital adequacy provide valuable insights into the overall health of the insurance sector.

By monitoring and addressing these key factors, Sanlam AG Plc can navigate challenges, seize growth opportunities, and contribute to the development and resilience of the insurance industry in the face of evolving circumstances.

Key Management Adjustments

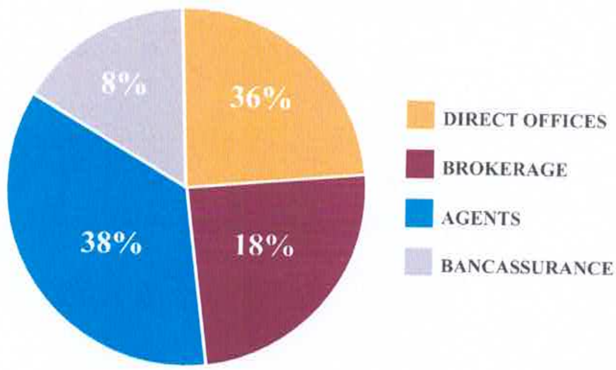
Throughout the year ended 31 December 2022, in accordance with the recommendation by the group, there was organizational restructure as follows:

i) The technical department has been divided into two sections: Personal lines and corporate lines. The two directors have been appointed and are awaiting confirmation from the BNR.
ii) The Director of Commercial Department and Technical Director resigned. The new Director of the Commercial Department has been appointed, and he is now awaiting confirmation from the BNR.

How Sanlam AG Plc performed in local market

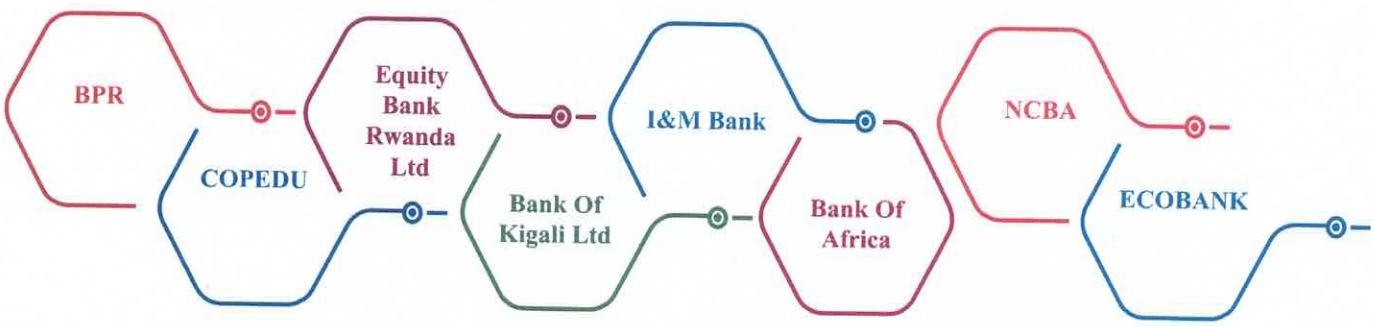
The overall GWP is at Frw 24.3billion as of 31 December 2023 compared to Frw 20.5billion as of 31 December 2022 and this movement means an increase of 18.3%. The budgeted GWP to 31 December 2023 was achieved at the rate of 121.3%.
In comparison to the total gross premiums written for 2023, Direct businesses have a proportion of 36% (2022:33%) Brokers have a proportion of 18% (2022: 24%), the Agents including independent branches 38% (2022: 35%) whereas the bancassurance remained constant at 8%.

GWP by distribution channel

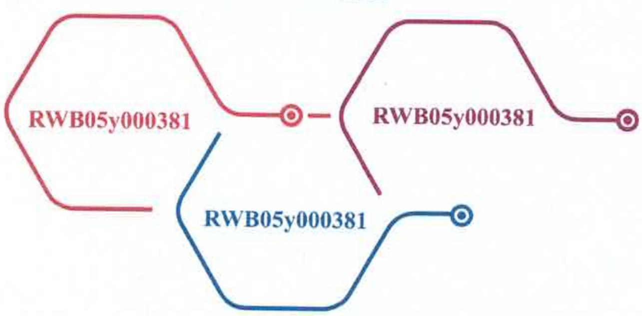


Sanlam AG Plc's investment:

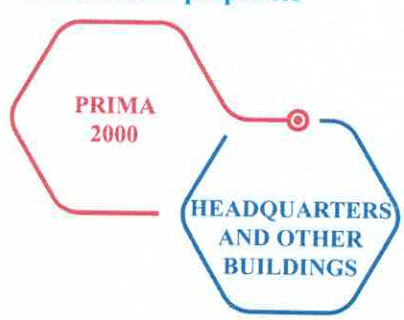
Investments in term-deposits



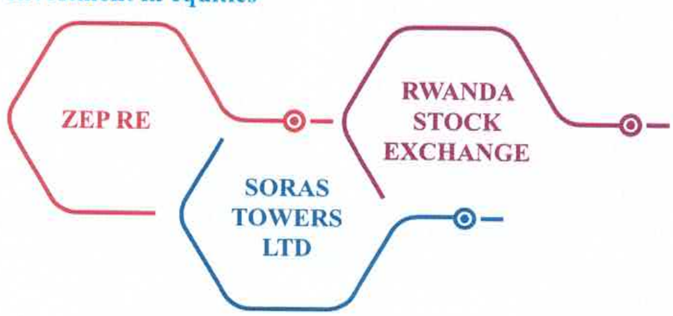
Investment in Government bonds



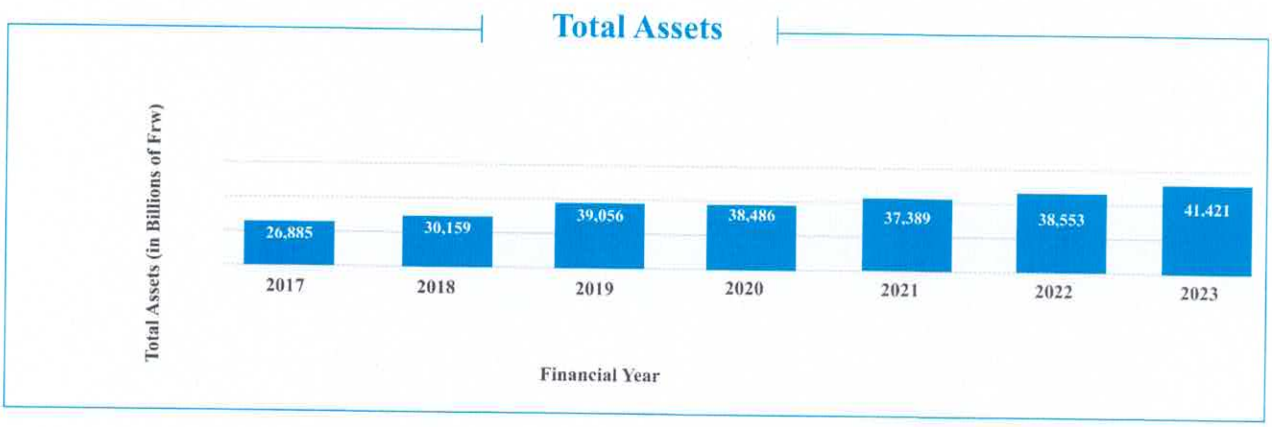
Investment in properties



Investment in equities



The government bonds are remunerated between 12.15% and 12.9% interest rate, term deposits between 9% to 10.5% interest rate and Bank saving accounts between 8% and 8.5%.



The profit after tax increased to Frw 797,549 million as of 31 December 2023 from the loss of Frw 2,582,430 million as of 31 December 2022. The increase was mainly due to the increase in Gross earned premiums as well as the decrease in the impairment losses of financial assets.

The CAR of Sanlam AG Plc is at 85% as at 31 December 2022 (from 86% as at end December 2021) compared to the regulatory requirement of 85% as per the BNR implementation roadmap.

Indicators we track

The Actuarial Function

Actuarial function is a key function of Sanlam AG Plc operations - reserving, pricing and underwriting, reinsurance and risk and capital, presenting opportunities to add value to Sanlam AG Plc performance or the wider business whilst still also meeting the regulatory requirements. Sanlam AG Plc actuarial function is outsourced to Sanlam group which is equipped with a wide team of talented actuaries with long experience in all aspects of non-life business. Further to this, the company has contracted with a statutory actuary for monitoring and advising purpose and issues regulatory reports liability. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

Claims and loss adjustment expenses are charged to profit, or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The Company does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

Insurance contracts

i. Classification

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

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

ii. Recognition and measurement

These contracts are casualty, property and short-duration life insurance contracts.

Casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

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

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover)

Short-duration life insurance contracts protect the Company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums

Claims and loss adjustment expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The Company does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

iii. Commissions and Deferred acquisition costs

Commissions earned are recognized in the period in which the related commissions are written.

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset (DAC). All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts. For property, casualty and short-duration life insurance contracts, DAC is amortised over the terms of the policies as premium is earned. The resulting change to the carrying value of the DAC is charged to profit or loss.

The resulting change to the carrying value of the DAC is charged to profit or loss

iv. Liability adequacy test

At the end of each reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision).

v. Reinsurance contracts held

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the Company's property or casualty insurance contracts. Where the premium due to the reinsurer differs from the liability established by the Company for the related claim, the difference is amortised over the estimated remaining settlement period.

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

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.

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.

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.

Investment in associates

Associates are undertakings in which the bank has 20-50% of the voting rights, and over which the bank 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 bank's share of the associates' profit or loss for the year. The bank'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.

Property and equipment

Land, buildings and motor vehicles 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.

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.

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

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.

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. The costs 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.

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.

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.

i) 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.

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.

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 derecognized 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.

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.

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).

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

- 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.

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.

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.

Employee entitlements

Defined contribution scheme

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

Termination benefits

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

Short-term employee benefits

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

Revenue recognition

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

Insurance premium

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

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.

Rental income from investment property

Rental income is recorded in the period it is earned.

Dividend income

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

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.

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.

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.

1.1 Casualty insurance risks

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant the increase in the number of cases coming to court that have been inactive or latent for a long period of time. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

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.

1.2 Financial risk management

a) 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.

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.

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.

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.

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.

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:

Comply with the capital requirements as set out by the regulator.

Comply with the regulatory solvency requirements as set out by the regulator.

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.

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.


03
Value Driven Approach

Creating Value

In 2023, Our Human capital efforts were geared at continuously enhancing staff productivity, capacity effectiveness, and business continuity. This is in line with our short-term and long-term prospects of being customer-centric and achieving our values and purpose. Our objectives were aimed at enhancing approaches that support productivity; performance management; learning and development; and remote working policies in response to the environment. We were able to create a set of standard guidelines, tools for managers and employees to track and reinforce productivity, enhance learning & skills development and support stakeholders in the wake of the pandemic.

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.

Sanlam AG Plc have 106 employees (38 per cent female).

Digitization and the future of work: Our workplace has been transforming into a digital workplace over the years ensuring productive and flexibility for staff.

Learning and Development: As a firm seeking to remain a thought leader in the market, capacity building is key towards the achievement of our goals and objectives. Consequently, we have set up initiates for learning and development policy which has seen staff taking on courses in institutions such as Kenya College of Insurance – Rwanda, Chartered Insurance Institute, University of Kigali, Annamalai University, and University of Rwanda among others. Sanlam AG Plc also undertakes training internally for career development.

Salient features of our human resources (HR) strategy

- World-class HR function and capability
- Leading edge digitally enabled HR practices and solutions
- Proactive governance and risk management

The key focus areas are:

- **Talent:** attracting, hiring, developing, and retaining the best talent in the market to address the evolving talent needs in our business
- **Culture:** Evolving our culture to suit a changing business and strategic context
- **Digitise:** Adapt HR functions to improve efficiency and capability to deliver superior employee experiences
- **Agile workplace of the future:** simplify, harmonise and evolve people practices and processes to promote cross-cluster interactions and mobility
- **Ways of working:** Creating a work environment that addresses the current and future needs of our workforce in a digitalised workplace
- **Diversity, equity and inclusion:** ensure diversity in our workforce and workplace in line with diverse markets being served

Developing talent and improving skills

Talent management is a key strategic business matter and is designed to ensure we recruit, appoint, retain and develop the most talented employees available in the job market. We collaborate with our employees to help them realise their worth. We are committed to providing a stimulating work environment and development opportunities. Learning and development are prioritised in our HR strategy, which is designed to drive internal career advancement.

Financial Capital

Our approach to financial management can be summarized as prudent with attention to detail in how we raise, control, and administer and deploy our finances catering for risks, costs and control while seeking to be profitable.

Capital allocation is governed by a strategy framework which has provisions for procedures that ensure we have adequate capital resources with due attention to all material risk and capital adequacy requirements.

This approach also provides stewardship for our cost optimization measures as we diligently oversee the utilization of financial resources in the Bank's operations.

Capital allocation focuses on supporting value creation and ensuring high returns on deployed financial capital.
(34,963)

a)Financial assets – Treasury bonds	2022	2023
	Frw'000	Frw'000
Principle amount	1,300,000	4,154,950
Accrued interest	16,545	223,145
Expected credit loss	43,794	34,963
	1,272,751	**4,343,132**

Below is the listing of the government bonds held

No	Issuer	Effective date	Expiry date	Interest rate	2021	2,020
					Frw'000	Frw'000
1	BNR	23-Feb-18	17-Feb-23	11.80%	100,000	100,000
2	BNR	23-Feb-18	23-Aug-33	12.90%	200,000	200,000
		22-Dec-22	07-May-32	12.15%	1,000,000	-
	TOTAL				1,300,000	300,000

Financial assets held-to-maturity are subsequently measured at amortised cost using the Effective Interest Rate (EIR), less impairment. Amortised cost is calculated by taking into account 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) Financial assets – Investment in equities	2,023	Movements	2,022
	Frw'000	Frw'000	Frw'000
Zep-Re (1% shareholding)	4,898,099	917,909	3,980,191
Rwanda Stock Exchange (5%shareholding)	11,457	6,899	4,557
RIM (15% shareholding)	-	(488,734)	488,734
	4,909,556	**436,074**	**4,473,482**

Investments in equity are valued using models which sometimes only incorporate 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. The FVOCI (unquoted equity) is recorded at cost less impairment where there is no active market for these investments. At the end of the year ended 31 December 2023, Zep re, Rwanda Stock exchange equity investments were revalued to Frw 4,898,099,000 Frw 11,457,000 which resulted in a fair value gain of Frw 924,808,000 mainly due to exchange rate USD/FRW fluctuation. Sanlam AG Plc has since disposed off the equity shares of RIM SA.

Share capital and reserves

a) Share capital

The total authorised number of ordinary shares is 795,685 (2022: 795,685) with a par value of Frw 10,000 per share (2022: 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) Fair value reserves

The reserve is attributable to changes in fair value of investment securities classified under the available-for-sale category. This is shown on the statement of other comprehensive income and on the profit and loss when the underlying asset has been derecognised or impaired. There was no movement during the year.

e) Accumulated losses

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

	31-DEC-2023	31-DEC-2022
	Frw'000	Frw'000
At the start of the year	(3,770,093)	(1,063,971)
Loss for the year	1,035,058	(2,824,497)
As at the end of the year	**(2,735,035)**	**(3,888,468)**

Regulatory capital

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 2023 was above required threshold.

Intellectual Capital

Intellectual capital in this case refers to intangible assets and can broadly be defined as the collection of all resources Sanlam AG Plc has at its disposal that can be used to drive profits, gain new customers, create new products, or otherwise improve the business. At Sanlam AG Plc, our key components include Staff expertise, organizational processes, and other intangibles that contribute to our bottom line.

Aspects of intangible value include technical knowledge, the value relating to relationships, reputation and brand and capacity for innovation.

Sanlam AG Plc intellectual capital includes human capital, innovations and digital channels, systems and processes.

Innovation: Innovation is highly influential in increasing the relevance of products and services to drive growth performance, and operations, especially amid the pandemic when there has been limited interaction between staff and clients. Sanlam AG Plc introduced innovation and technological adjustments to enable working virtually as well as enable clients submit claims. The pandemic accelerated our digitization plans with more to be rolled out in coming years. Innovation also allowed the collection of premiums via mobile money.

Customer-centered adjustments: Sanlam AG Plc has continued to adjust our systems and process to improve customer experiences and service provision to provide seamless services and seize opportunities. Among our customer-oriented adjustments included virtual contract signing, MoMo payments among others.

Agents: Our Agent network, which has grown steadily in recent years, currently at about 250 serves to ensure Sanlam AG Plc's proximity to our customers. It also creates business opportunities for service providers allowing them to creating incomes and employment.

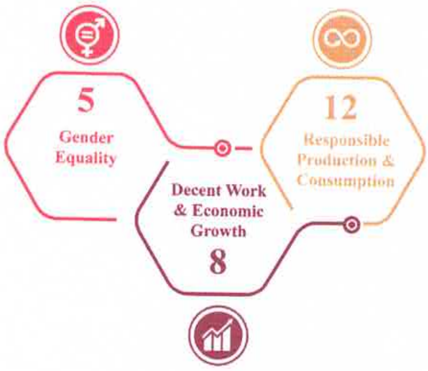
Creating Shared Value

Creating Shared Value features in Sanlam AG Plc's priority as we seek to have a role in improving society's quality of life by addressing its needs and challenges while at the same time supporting the economy. Among ways we do this include:

Sustainable Development Goals

We are refining our contribution to the United Nations Sustainable Development Goals (SDGs) and identifying future priorities. As a financial services firm we have a direct contribution to make through investments and the way we do business.

The SDGs provide a roadmap and sustainable framework to anchor our investments if we want to show impact and bring these purpose ambitions to life. Our group's focus areas which Sanlam AG Plc is also implementing provide examples of our commitment in action.



Natural capital

At Sanlam AG Plc's investment and properties are conscious of environmental conservation as well as aspects such as energy and water consumption. Environmental conservation is on the checklist of viable investment and projects of Sanlam AG Plc. Our internal processes have also reduced the use of paper replacing it with electronic and digital means as we commence digitization.

Corporate Social Responsibility

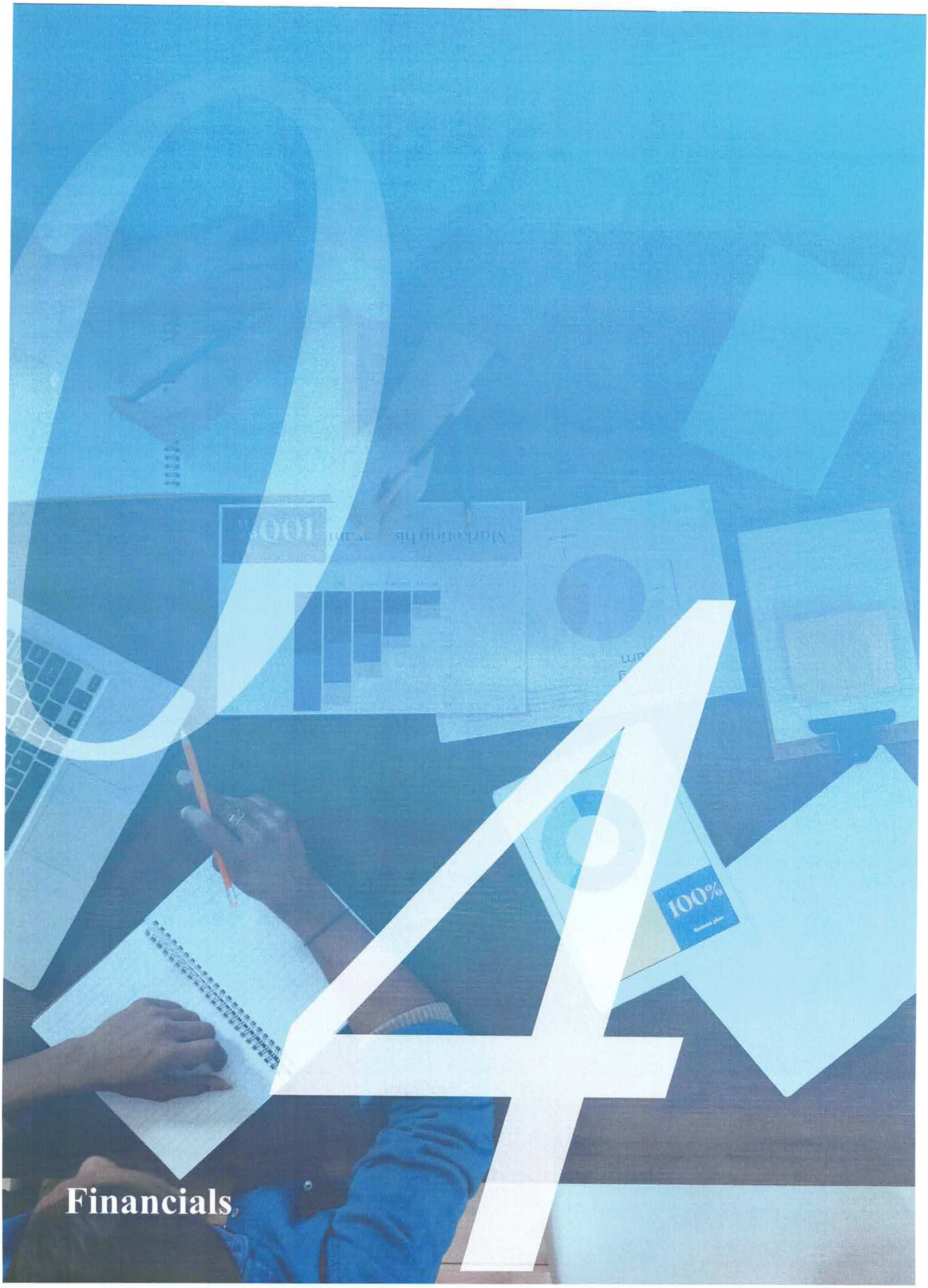
During the year ending 31 December 2023, we extended our support to the families of former Sanlam AG Plc staff members who lost their lives in the 1994 Genocide against the Tutsi.

Sanlam AG Plc Staff visited the patients at King Faisal Hospital and La
Croix du Sud Hospital to help them celebrate Christmas in 2023.

5. Number of Agents

The number of insurance agents as well as the independent branches for the last three years are as follows:

	Dec-23	Dec-22
Independent Branches	37	46
Number of active insurance agents	80	96



04

Financials

SANLAM ASSURANCES GÉNÉRALES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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P.O. Box 175
Kigali, Rwanda

Cogebanque Plc
Avenue du commerce
P.O. Box 5230
Kigali, Rwanda

Access Bank Rwanda plc
Avenue de la Paix
P.O Box 205
Kigali, Rwanda

Development Bank of Rwanda plc
P.O. Box 1034
Kigali, Rwanda

I & M Bank Rwanda Plc
11 Boulevard de la Revolution
P.O. Box 354
Kigali, Rwanda

Bank of Africa Rwanda Plc
P.O. Box 265
Kigali, Rwanda

BPR Bank (Rwanda) Plc
KN 67 St
Kigali, Rwanda

Banque Populaire du Rwanda Plc
Headquarter
P.O Box 1348
Kigali, Rwanda

Ecobank Rwanda Plc
Plot 314, Avenue de la paix
P.O Box 3268
Kigali, Rwanda

Equity Bank Rwanda Plc
Grand Pension Plaza Building
P.O Box 494
Kigali, Rwanda

COPEDU
KN 03 Rd, African Union
Kigali, Rwanda

Guaranty Trust Bank Rwanda Plc
20 Boulevard de la Revolution
P.O Box 331
Kigali, Rwanda

NCBA Bank Rwanda plc
Kigali Heights, 8th floor
P.O Box 6774
Kigali, Rwanda

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DATE 10/06/2024
PwC Business Limited

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of SANLAM Assurance Générales 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 797,549,000 (2022: Loss of Frw 2,582,430,000) which has been applied to accumulated losses. The Directors do not recommend the payment of a dividend for the year ended 31 December 2023 (2022: 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

2024

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SANLAM Assurances Générales 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 2023 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 Assurance Générales 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 2023, the attendance at Board meetings is set out below.

Name	Independence	Attendance	Term of office
Mr SHUMBUSHO R. Vianney	Independent	4	2nd Term
Mr. HABIMANA Jose	Independent	4	2nd Term
Mr KAYITARE Celestin	Independent	4	2nd Term
Mrs. Linda KALIMBA MULENGA	Independent	4	2nd Term
Mrs. Anita KAGENZA	Independent	4	2nd Term
Mr. Tinashe GARAPO	Non independent	4	2nd 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 Assurances Générales 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 and one non-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 Assurances Générales 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 2023, the Board Audit Committee members and attendance of meetings is set out below.

Name	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

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

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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 2023, 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 2023, 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

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The Directors are responsible for the preparation of financial statements that give a true and fair view of Sanlam Assurances Générales Plc. The financial statements are set out on pages 13 to 90 and comprise the statement of financial position as at 31 December 2023, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The 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 International Financial Reporting 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 Assurances Générales Plc were approved and authorised for issue by the Board of Directors on 2024

Director Kagenza Anita

Director Sinzabakwira Rugangazi Vianney

Acting Chief Executive Officer

Sanlam Assurances Générales Plc B.P 024 Kigali

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANLAM ASSURANCES GÉNÉRALES 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 Assurances Générales Plc (the "Company") as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards 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 Assurances Générales Plc's financial statements as set out in pages 13 to 90 comprise:

- the statement of financial position as at 31 December 2023;
- 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.

PricewaterhouseCoopers Rwanda Limited, 5th Floor, Blue Star House, 35 KG 7 Ave, Kacyiru
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Tel: +250 (252) 588203/4/5/6, www.pwc.com/rw

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Key audit matters (continued)

Key audit matter

Adoption of IFRS 17 and restatement of comparatives

The Company adopted IFRS 17 for insurance contracts as of 1 January 2023. This has led to changes in the valuation of insurance contract liabilities, recognition of insurance revenue and expenses, and the presentation of the financial statements. We have determined the implementation of IFRS 17 to be a key audit matter in the current year due to the significance of the changes brought about by the new standard.

The Company has applied the premium allocation approach ("PAA") to all of its insurance contracts given their short-tailed nature.

We consider the following as the key areas requiring significant judgement in relation to the adoption of IFRS 17 and restatement of comparatives:

- The judgments involved in the determination of the measurement model to apply under the standard, in particular, management's use of the Premium Allocation Approach ('PAA') measurement model for groups of contracts that are not automatically eligible;
- The methodology and assumptions in respect of determining the risk adjustment;
- The methodology used by management to determine discount rates;
- The implementation of new models to produce the IFRS 17 results, and
- The appropriateness of methodologies, assumptions and significant judgements applied in the calculation of relevant balances.

How our audit addressed the key audit matter

We performed the following procedures over the Company's accounting for the transition from IFRS 4 to IFRS 17:

- Assessed the appropriateness of the transition approach adopted for each group of insurance contracts.
- Assessed whether the judgements, methodology and assumptions applied by management in determining their accounting policies are in accordance with IFRS 17.
- Assessed the appropriateness of the judgements and supporting estimates used to determine use of the PAA measurement model.
- Tested on a sample basis the reliability of the data used as the basis for making estimates.
- Performed validation of certain new models by evaluating the testing performed by management to assess its appropriateness and performed independent validation testing using sample scenarios and comparing the output between our calculations and those produced by management's models.
- Evaluated the appropriateness of methodologies and assumptions used in determining loss components recognised, and tested the accuracy of the loss component calculation through reperformance.
- Tested the appropriateness of the split of expenses between attributable and non-attributable.
- Tested the mathematical accuracy and completeness of the supporting calculations and adjustments used to determine the 2022 comparatives, and
- Performed testing over key data flows within the IFRS 17 business processes.

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Key audit matters (continued)

Key audit matter

Valuation of insurance contract liabilities

Insurance contract liabilities comprises liability for remaining coverage and liability for incurred claims.

We considered insurance contract liabilities as a key audit matter because:

- 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 internal and external actuarial experts.

How our audit addressed the key audit matter

We performed the following procedures:

- 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 2023 and performed reprojections 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.

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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 therein, 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:

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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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANLAM ASSURANCES GENERALES 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 Assurances Generales 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,

iv. We have communicated to the Company's Board of Directors, through a separate management letter, internal control matters identified in the course of our audit including our recommendations in relation to those matters, and

v. 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

10 June 2024

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DATE: 10/06/2024
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STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 Frw '000	Restated 2022 Frw '000
Insurance revenue	4	24,199,807	18,920,525
Insurance service expenses	4	(14,714,210)	(13,638,675)
Net expenses from reinsurance contracts held	4	(3,702,193)	(2,446,441)
Insurance service result		**5,783,401**	**2,835,409**
Interest revenue from financial assets not measured at FVTPL	5	1,238,928	812,261
Investment income	5	441,444	337,818
Impairment on investments in associates accounted for using the equity method	20	-	(328,108)
Net gains on FVTPL equity investments	9	924,808	245,576
Net (loss)/gains from fair value adjustments to investment properties	9	(41,297)	19,718
Net credit impairment losses	3	(865,295)	(2,863,030)
Net investment income		**1,698,588**	**(1,775,765)**
Finance expenses from insurance contracts issued	5	(603,869)	(751,771)
Finance income from reinsurance contracts held	5	165,377	181,360
Net insurance finance expenses		**(438,492)**	**(570,411)**
Net insurance and investment result		**7,043,497**	**489,233**
Other income	6	603,975	81,165
Other operating expenses	6	(5,120,702)	(4,141,591)
Profit/(loss) before income tax		**2,526,770**	**(3,571,193)**
Income tax expense		(1,729,221)	988,763
Profit/(loss) for the year		**797,549**	**(2,582,430)**
Other comprehensive income			
Items that will not be reclassified			
Gain on revaluation of building	10	304,587	49,778
Total comprehensive income/(loss) for the year		**1,102,136**	**(2,532,652)**

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STATEMENT OF FINANCIAL POSITION

	Note	2023	Restated 2022	Restated 2021
		Frw '000		
Assets				
Cash and cash equivalents	17	7,675,345	6,530,853	4,382,299
Short term deposits	13	8,521,560	6,475,785	5,459,392
Government securities at amortised cost	13	4,343,132	1,272,751	374,799
FVTPL equity investments	13	4,909,556	4,473,482	4,227,905
Reinsurance contract assets	7	5,560,225	6,504,854	10,413,412
Due from related parties	15	164,548	328,960	466,282
Other assets	14	1,479,203	2,143,911	2,784,734
Investments in associates accounted for using the equity method	20		283,424	611,631
Intangible assets	11	96,877	117,843	138,703
Investment properties	12	5,431,161	5,472,458	5,452,740
Property and equipment	10	3,139,560	2,948,904	3,077,514
Total assets		**41,421,167**	**38,553,225**	**37,389,312**
Liabilities				
Current income tax	16	904,511	123,236	215,997
Due to related parties	15	45,821	43,177	45,154
Other current liabilities	19	2,482,502	2,213,049	1,022,098
Insurance contract liabilities	7	17,881,589	18,215,155	16,870,181
Provisions		461,724	164,418	307,671
Deferred income tax	16	1,539,299	770,635	1,882,605
Total liabilities		**23,315,446**	**21,549,640**	**20,343,706**
Equity				
Share capital	18	7,956,851	7,956,851	5,466,220
Share premium	18	4,963,273	4,963,273	4,963,273
Revaluation reserves		3,403,558	3,098,971	3,049,193
Other reserves	18	4,541,805	4,541,805	4,541,805
Accumulated losses		(2,759,766)	(3,557,315)	(974,885)
Total equity		**18,105,721**	**17,003,685**	**17,045,606**
Total equity and liabilities		**41,421,167**	**38,553,225**	**37,389,312**

STATEMENT OF CHANGES IN EQUITY

	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 2022						
As previously stated	5,466,220	4,963,273	3,049,193	4,541,805	(737,091)	17,283,400
Restatement	-	-	-	-	(237,794)	(237,794)
Restated 1 January 2022	5,466,220	4,963,273	3,049,193	4,541,805	(974,885)	17,045,606
Transactions with owners:						
Issue of shares	2,490,631		-	-	-	2,490,631
Total	2,490,631	-	-	-	-	2,490,631
Comprehensive income for the year:						
Loss for the year	-	-	-	-	(2,582,430)	(2,582,430)
Other comprehensive income						
Revaluation surplus	-	-	49,778	-	-	49,778
Total comprehensive income for the year	-	-	49,778	-	(2,582,430)	(2,532,652)
At 31 December 2022	7,956,851	4,963,273	3,098,971	4,541,805	(3,557,315)	17,003,685

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STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	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	3,098,971	4,541,805	(3,557,315)	17,003,685
Comprehensive income for the year:						
Profit for the year	-	-	-		797,549	797,549
Other comprehensive income						
Revaluation surplus	-	-	304,587	-	-	304,587
Total comprehensive income for the year	-	-	304,587	-	797,549	1,102,136
At 31 December 2023	7,956,851	4,963,273	3,403,558	4,541,805	(2,759,766)	18,105,721

STATEMENT OF CASH FLOWS

Cash flows from operating activities	Note	2023 Frw'000	Restated 2022 Frw'000
Profit for before income tax		2,526,770	(3,571,193)
Adjustments for:			
Depreciation	10	132,459	143,969
Amortisation	11	49,163	38,539
Fair value gains on investments	9	(924,806)	(809,437)
Fair value adjustment to investment properties	9	41,297	(19,716)
Write off on property and equipment	10	8,204	25,831
Impairment loss on other financial assets	3	835,295	45,280
Net Gain/Loss on disposal of equity shares			-
Net foreign exchange gains on cash and cash equivalent		(135,568)	(13,363)
Impairment loss on cash and cash equivalent		5,088	-
Rental income	5	(363,712)	(272,054)
Interest received	5	(1,238,928)	(812,301)
Dividend received	5	(78,232)	(65,764)
Changes in working capital assets/liabilities			
Reinsurance contract assets		2,717,610	1,908,559
Due from related parties		164,412	137,322
Sundry receivables		(45,809)	639,337
Due to related parties		2,644	(1,977)
Other current liabilities		289,453	1,100,951
Insurance contract liabilities		(333,566)	1,344,974
Provisions		277,308	(123,253)
Income tax paid		(179,251)	(215,997)
Net cash outflow from operating activities		**3,760,527**	**(430,358)**
Cash flows from investing activities			
Proceeds from sales of investment assets			5,455,392
Purchases of investment assets		(5,144,115)	(6,475,765)
Proceeds from sale of subsidiary		772,158	-
Payments for intangible assets and property and equipment		(54,923)	(58,768)
Investment income		1,602,140	1,084,315
Dividends from joint associates		78,232	65,764
Net cash outflow from investing activities		**(2,746,514)**	**74,918**
Cash flows from financing activities			
Proceeds from capital injection		-	2,490,631
Net cash from financing activities		-	**2,490,631**
Net decrease in cash and cash equivalents		**1,814,013**	**2,135,191**
Cash and cash equivalents - Beginning of year		6,530,853	4,382,299
Effects of exchange rate changes on cash and cash equivalents		135,568	13,363
Impairment loss on cash and cash equivalent		(5,088)	
Cash and cash equivalents – End of year		**7,575,346**	**6,530,853**

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1 General information

SANLAM Assurances Générales Plc (the "Company") is a public limited company by shares registered and domiciled in Rwanda. The Company's registered office is at:
Sanlam Assurances Générales Plc
KN3, Av. Boulevard de la Revolution
P.O Box 924 Kigali
1st Floor, Sanlam Building
Kigali, Rwanda

2 Basis of preparation and accounting policies

2.1 Basis of preparation

The financial statements are prepared 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

i) 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.

ii) 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 2023:

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17 (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts' and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

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2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

ii) New standards, amendments and interpretations (continued)

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

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts' *(continued)*		Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contracts, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard.
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

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2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

ii) 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 2023

Number	Effective date	Executive summary
Amendments to IAS 1 - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16 – Leases on sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments 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.
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (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.

iii) 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.

The 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.

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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

i) Judgements in applying IFRS 17

Area of judgement	Judgement applied
• *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.	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.
• *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.*	Motor is onerous, hence an additional loss component approximated by the AURR calculation for 2021, 2022 and 2023

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.

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)

i) Judgements in applying IFRS 17 (continued)

Area of judgement	Judgement applied
• *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.*	For groups that have become onerous an Additional Unexpired Risk Reserve has been raised for 3 years; 2021, 2022 and 2023.
• *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.* *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.*	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.

2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

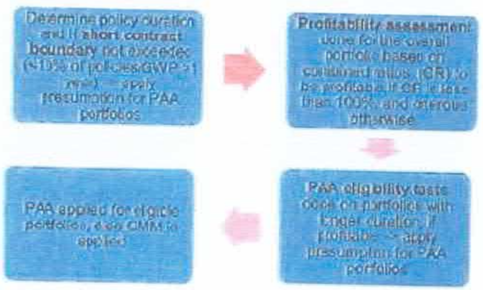
(i) Methods used and judgements applied in determining the IFRS 17 transitions amounts

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 modes (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	• 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)

iii) 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.

Mode 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 contract.

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.

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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 (VeriCubbed) 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).

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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 2022

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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

i) Liability for remaining Coverage (LFRC);
ii) 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:

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

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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)

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

Sensitivity (continued)

	2023				2022			
	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	16,908,654	-	-	-	17,639,687	-	-	-
Reinsurance contract assets	(4,687,291)	-	-	-	(7,929,386)	-	-	-
Net insurance contract liabilities	12,221,363	-	-	-	9,710,301	-	-	-
Unpaid claims and expenses – 5% increase								
Insurance contract liabilities		845,433	845,433	596,876		881,984	881,984	622,681
Reinsurance contract assets		(234,365)	(234,365)	(165,462)		(396,469)	(396,469)	(279,907)
		611,068	611,068	431,414		485,515	485,515	342,774

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.

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2 Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

iii) Significant judgements and estimates (continued)

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.

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2 Basis of preparation and accounting policies (continued)

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 restated financial statements of Sanlam Assurances Générales Ltd for the financial year ended 31 December 2022.

(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.

(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		

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2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

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.

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.

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2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

ii) **Unit of account (continued)**
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 Group 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.

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.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

iii) Recognition and derecognition (continued)

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 as a result 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 into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

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) (e)

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

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)

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.

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.

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Notes to the Financial Statements (continued)
For the year ended 31 December 2023

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)

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.

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.

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 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 (ii) (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.

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.

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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)

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.

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.

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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)*

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.

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;

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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 service expenses (continued)

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:

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.

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2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

v) Amounts recognised in comprehensive income

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

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

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.

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.

2 Basis of preparation and accounting policies (continued)

2.2 Accounting policies (continued)

(d) Insurance contracts (continued)

v) Amounts recognised in comprehensive income

Insurance finance income or expenses (continued)

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'.

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.

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

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

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

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Notes to the Financial Statements (continued)
For the year ended 31 December 2023

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 AINS, 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.

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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.

i) 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 canceled 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) (ii).

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)

	Accident years							
Gross amounts in RWF	2016	2017	2018	2019	2020	2021	2022	2023
At end of accident year	4,314,842,919	3,135,687,891	3,372,602,920	3,444,170,880	5,012,157,971	4,400,468,295	5,584,681,162	7,575,836,467
One year later	1,015,012,480	2,075,795,298	2,938,209,688	2,477,203,874	2,381,201,431	3,625,124,900	3,490,382,412	
Two years later	1,881,477,655	1,581,502,125	1,777,744,654	917,073,305	1,141,196,088	827,460,109		
Three years later	846,093,321	585,032,755	635,454,400	801,200,520	534,700,863			
Four years later	311,716,890	224,601,025	477,864,764	207,506,223				
Five years later	151,343,271	276,404,383	202,864,641					
Six years later	95,742,649	73,823,733						
Eight years later	28,875,321							
Ultimate claim estimate	8,667,421,919	8,771,053,823	9,487,508,558	8,097,572,692	9,374,432,968	9,320,169,656	10,301,847,091	10,788,933,564
Cumulative payments to date	8,646,093,866	8,742,947,306	9,402,870,441	7,947,561,813	9,071,318,958	8,853,053,214	9,375,063,574	7,575,836,467
OCR data	21,415,033	26,792,408	82,494,582	136,215,866	193,248,316	815,294,802	834,485,340	1,360,510,617
IBNR	-	1,324,109	2,143,552	13,794,893	109,865,696	51,892,640	92,298,171	1,852,586,480
Total Reserve (Triangles)	21,418,033	28,116,517	84,638,114	150,010,679	303,114,012	867,116,442	926,783,511	3,213,097,097

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.

Year ended 31 December 2023		Maximum insured loss					
Class of business	Range	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	Grand Total Frw'000
Accident	Gross	1,757,825	3,389,700	9,431,210	23,290,864		37,869,205
Bonds	Gross	11,164,937	15,923,115	17,457,710	17,457,710	23,866,402	85,869,945
Engineering	Gross	290,355	9,157,140	23,330,622	85,295,703	16,507,995	132,640,806
Fire (Industrial)	Gross	10,927,828	237,320,132	509,370,228	773,375,633	998,433,240	2,242,427,063
Liability	Gross	721,005	3,271,195	13,813,801	43,187,023	374,310,087	432,425,340
Motor (Automobile)	Gross	1,585,461	56,184,428	67,534,395	71,006,719	-	196,618,993
Transport (Marine)	Gross	5,269	169,751	1,757,421	5,820,690	-	7,966,859

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.

Year ended 31 December 2022		Maximum insured loss					
Class of business	Range	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	Grand Total Frw'000
Accident	Gross	1,745,547	17,379,410	1,060,331	11,233,416	17,039,332	48,978,236
Bonds	Gross	7,449,617	353,489	6,381,889		-	14,111,944
Engineering	Gross	1,313,877	9,170,652	6,108,749	121,099,456	2,209,033,370	2,344,754,080
Fire (Industrial)	Gross	15,424,538	377,328,686	195,433,009	305,776,795	918,088,212	1,810,569,649
Liability	Gross	1,381,209	10,176,747	3,163,381	73,294,756	414,523,807	606,109,183
Motor (Automobile)	Gross	4,598,914	14,771,440	75,565,832			94,935,782
Transport (Marine)	Gross	207,359	8,448,312	1,168,304	2,053,306	-	12,877,682

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 these 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:

i) Receivables from direct insurance arrangements

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

As at 31 December 2022	<90 days	>90 days	Total
Loss rates	0.0%	81%	18%
Gross carrying amount (Frw '000)	3,576,021	1,060,345	4,636,366
Lifetime ECL (Frw '000)	-	857,541	857,541

ii) Receivables arising out of reinsurance arrangements

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

As at 31 December 2022	<180 days	180-365 days	Total
Loss rates	0.0%	33%	23%
Gross carrying amount (Frw '000)	1,217,547	2,981,537	4,199,084
Lifetime ECL (Frw '000)	-	974,004	974,004

iii) Receivables arising out of coinsurance 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

As at 31 December 2022	<180 days	180-365 days	Total
Loss rates	0.0%	70%	69%
Gross carrying amount (Frw '000)	14,044	1,169,298	1,183,342
Lifetime ECL (Frw '000)		816,619	816,619

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

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 polices 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

	2023 Frw '000	2022 Frw '000
Stage 1	1,300,362	2,984,425
Stage 2	-	-
Stage 3	-	-
Total other receivables	1,800,362	2,984,425
Less: Loss allowance	(321,159)	(840,514)
Net carrying amount	1,479,203	2,143,911

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

	2023 Frw '000	2022 Frw '000
Stage 1	8,558,350	6,475,785
Stage 2	-	-
Stage 3	-	-
Total other receivables	8,558,350	6,475,785
Less: Loss allowance	(36,790)	-
Net carrying amount	8,521,560	6,475,785

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.

3. Risk management objectives and policies (continued)

3.2 Financial risk management (continued)

i) Credit risk (continued)

d) Cash and bank balances

	2023 Frw '000	2022 Frw '000
Stage 1	7,680,433	6,530,853
Stage 2	-	-
Stage 3	-	-
Total cash an bank balances	7,680,433	6,530,853
Less: Loss allowance	(5,088)	-
Net carrying amount	7,675,345	6,530,853

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

	2023 Frw '000	2022 Frw '000
Stage 1	4,378,095	1,316,545
Stage 2	-	-
Stage 3	-	-
Total other receivables	4,378,095	1,316,545
Less: Loss allowance	(34,963)	(43,794)
Net carrying amount	4,343,132	1,272,751

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 2022	-	43,781	2,181	23,524	-	552	6,218	44,973
(Increase)/decrease in loss allowance in the year	43,794	840,514	960,707	218,166	816,619	(552)	(6,218)	2,063,630
At 31 December 2022	43,794	853,295	963,888	240,690	816,619	-		2,108,603
Increase/(decrease) in loss allowance in the year	(8,831)	321,190	166,675	56,008	288,176	30,750	5,008	865,295
At 31 December 2023	34,963	1,174,484	1,130,480	296,728	1,104,795	30,750	5,008	3,773,290

An impairment provision of Frw 865,295 (2022: Frw 2,963,000) 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 receivables.

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.

2023	Less than 3 months Frw'000'	3-12 months Frw'000'	1-4 years Frw'000'	Total Frw'000'
Insurance contract liabilities	5,607,589	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	7,555,481	10,132,168	1,749,129	19,436,978
Restated 2022				
Insurance contract liabilities	6,763,627	9,063,383	1,812,677	17,639,687
Other current liabilities	1,724,226	230,936	257,882	2,213,049
Due to related parties	43,177	-	-	43,177
Total	8,531,330	9,294,319	2,070,559	19,895,913

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:	2023 Sensitivity to a +/- 5% movement in the equity price Frw'000	2022 Sensitivity to a +/- 5% movement in the equity price Frw'000
Equity investment		
Zep-RE	244,595	199,009
Rwanda Stock Exchange	573	220

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 insruments. 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 2023:

As at 31 December 2023	Average interest rate	3- 12 months Frw'000
Term deposits with banks	14.8%	8,521,560
Total financial assets		8,521,560

As at 31 December 2022	Average interest rate	3- 12 months Frw'000
Term deposits with banks	14.6%	6,475,785
Total financial assets		6,475,785

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 2023 (+/-) 2%	54,274
31 December 2022 (+/-) 2%	(71,424)

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 2023 was Frw 1,270.44 (2022: 1,070.71) while the average rate for the year was Frw 1,263.53 (2022: 1,070.50). The amounts below summerise the foreign currency exposure position as at 31 December 2023.

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

As at 31 December 2022	USD Frw '000	Total Frw '000
Assets		
Cash and cash equivalents	3,629,202	3,629,202
Total Assets	3,629,202	3,629,202
Liabilities	-	-
Total Liabilities	-	-
Net financial position	3,629,202	3,629,202

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 Frw '000 2023	Effect on profit before tax Frw '000 2022
Changes in USD +/- 10%	252,877	(357,119)

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 2023 and 2022 is illustrated below:

	2023 Frw '000	2022 Frw '000
Admitted assets	32,323,484	28,019,338
Admitted liabilities	23,571,654	22,553,723
Solvency Margin Required	2,826,869	2,712,809
Solvency Margin Available	8,751,810	5,465,616
Solvency ratio	309.62%	201.47%

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-22				
Property, plant and equipment	2,948,904	-	-	2,948,904
Financial assets - equity investments	4,473,482	-	4,473,482	-
Investment property	5,472,458	-	5,472,458	-
Total	12,894,844	-	9,945,940	2,948,904

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4 Insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held for 2023 and 2022 is included in the following tables

	2023 Frw'000	2022 Frw'000
Insurance revenue		
Insurance revenue from contracts measured under PAA	24,199,807	18,920,525
Insurance service expenses		
Incurred claims and other directly attributable expenses	6,076,108	6,000,620
Losses on onerous contracts and reversal of those losses	(327,873)	806,890
Changes that relate to past service – changes in the FCF relating to the LIC	7,330,545	5,475,276
Insurance acquisition cash flows amortisation	1,635,436	1,355,889
Total insurance service expenses	14,714,216	13,638,675
Net income/(expenses) from reinsurance contracts held		
Reinsurance expenses – contracts measured under PAA	(3,658,787)	(2,706,309)
Other incurred directly attributable expenses	(43,403)	(78,692)
Incurred claims recovery	-	338,560
Net expenses from reinsurance contracts held	(3,702,190)	(2,446,441)
Insurance service results	5,783,401	2,835,409

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

	2023 Frw'000	2022 Frw'000
Interest income from investment in Government securities	1,073,355	587,421
Interest income from bank deposits	165,573	224,840
	1,238,928	**812,261**

5(ii) Investment income

	2023	2022
Rental income from investment property	363,212	272,054
Share of profit from investment in associate	78,232	65,764
	441,444	337,818

5(iii) Finance expenses from insurance contracts issued

	2023 Frw'000	2022 Frw'000
Interest accreted	(471,802)	(664,697)
Effect of changes in interest rates and other financial assumptions	(132,067)	(87,074)
	(603,869)	(751,771)

5(iv) Finance income from Reinsurance contracts held

	2023 Frw'000	2022 Frw'000
Interest accreted	127,758	149,832
Effect of changes in interest rates and other financial assumptions	37,619	31,528
	165,377	181,360

6 Other income

	2023	2022
Income on asset cessions	229,345	-
Salary advance interest	2,857	5,244
Other operating revenue	371,773	75,921
	603,975	81,165

7 Insurance contract liabilities

	2023	2022
Insurance contract liabilities excluding insurance acquisition cash flows assets and other pre-recognition cash flows	17,834,088	18,121,085
Insurance acquisition cash flows assets	47,601	94,070

7 **Insurance contract liability (Continued)**

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

2023 Frw '000'	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)	
Insurance contract liabilities as at 1 January	Remaining Coverage Excluding loss comp. '000'	Loss comp. '000'	Total '000'	LIC Total '000'	Total '000'
Opening balance	5,413,328	1,133,765	6,547,093	11,668,062	18,215,155
Insurance revenue	(24,199,807)	-	(24,199,807)	-	(24,199,807)
Insurance service expenses			-		
Incurred claims and other directly attributable expenses	181,620	-	181,620	13 253,433	13,435,053
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	14,742,617
Insurance service result	(22,382,750)	(327,873)	(22,710,623)	13,253,433	(9,457,190)
Cash flows					-
Premiums received	25,644,640	-	25,644,640	-	25,644,640
Claims and other directly attributable expenses paid	-	-	-	(14,971,653)	(14,971,653)
Insurance acquisition cash flows	(1,549,363)	-	(1,549,363)	-	(1,549,363)
Total cash flows	24,095,277	-	24,095,277	(14,971,653)	9,123,626
Insurance contract liabilities as at 31 December	7,125,855	805,892	7,931,747	9,949,842	17,881,589

7 Insurance contract liability (Continued)

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

2022 Frw '000'	Liability for remaining coverage (LRC)			Liability for incurred claims (LIC)	
Insurance contract liabilities as at 1 January	Remaining Coverage Excluding loss comp. '000'	Loss comp. '000'	Total '000'	LIC Total '000'	Total '000'
Opening balance	4,643,011	326,875	4,969,886	11,900,295	16,870,181
Insurance revenue	(18,920,525)	-	(18,920,525)	-	(18,920,525)
Insurance service expenses					
Incurred claims and other directly attributable expenses	182,607	-	182,607	11,587,517	11,770,124
Losses on onerous contracts and reversals of those losses	-	806,890	806,890	-	806,890
Insurance acquisition cash flows amortisation	1,355,889		1,355,889	-	1,355,889
Insurance service expenses	1,538,496	806,890	2,345,386	11,587,517	13,932,903
Insurance service result	(17,382,029)	806,890	(16,575,139)	11,587,517	(4,987,622)
Cash flows					-
Premiums received	19,835,695		19,835,695	-	19,835,695
Claims and other directly attributable expenses paid	-	-	-	(11,819,750)	(11,819,750)
Insurance acquisition cash flows	(1,683,349)		(1,683,349)		(1,683,349)
Total cash flows	18,152,346	-	18,152,346	(11,819,750)	6,332,596
Insurance contract liabilities as at 31 December	5,413,328	1,133,765	6,547,093	11,668,062	18,215,155

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7 Insurance contract liability (Continued)

b) Reinsurance contracts held - Reconciliation of the remaining coverage and incurred claims components

As at December 2023

	Liabilities for Remaining Coverage (LRC)				
	Excluding Loss Component '000'	Loss Component '000'	Total '000'	Incurred Claims Component '000'	Total '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

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7 Insurance contract liability (Continued)

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

As at December 2022

	Liabilities for Remaining Coverage (LRC)				
	Excluding Loss Component	Loss Component	Total	Incurred Claims Component	Total
Opening reinsurance contract assets	4,719,332	-	4,719,332	5,694,080	10,413,412
Net balance as at 1 January	**4,719,332**	-	**4,719,332**	5,694,080	**10,413,412**
Allocation of the premiums paid	(5,025,431)	-	(5,025,431)	-	(5,025,431)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expense	-	-	-	3,516,978	3,516,978
Changes that relate to past service - adjustments to incurred claims	-	-	-	154,354	154,354
Total Amounts Recovered from Reinsurance	-	-	-	3,671,332	3,671,332
Total Net Expenses from Reinsurance	(5,025,431)	-	(5,025,431)	3,671,332	(1,354,099)
Cash flows					
Premiums and premium tax paid	(1,191,897)	-	(1,191,897)	-	(1,191,897)
Recoveries from reinsurance	637,438	-	637,438	-	637,438
Total cash flows	(554,459)	-	(554,459)	-	(554,459)
Net balance as at 31 December	(860,558)	-	(860,558)	9,365,412	8,504,854
Closing reinsurance contract assets	(860,558)	-	(860,558)	9,365,412	8,504,854
Net balance as at 31 December	(860,558)	-	(860,558)	9,365,412	8,504,854

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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

	2023 Frw'000	2022 Frw'000
Employment benefits (as below)	2,416,542	2,031,611
Consumables	354,758	274,626
Government medical fund	478,110	453,385
Utilities	108,801	125,521
Advertising	44,263	43,885
Telephone and fax	199,631	155,550
Repair and maintenance	75,569	82,109
Office rent	56,789	75,562
Travel local	41,708	26,071
Insurance	25,219	25,062
Subscriptions	64,794	46,737
Fines and penalties	5,126	11,238
Legal expenses	30,237	51,500
Directors' remuneration	91,386	80,208
Bank charges	84,899	54,483
Travel overseas	17,512	17,191
Consulting and professional fees	150,295	75,056
Petrol and oil	29,913	51,208
Local taxes	20,617	14,591
Postage	2,381	2,755
Training	14,515	38,946
BNR supervision fees	119,940	101,184
Audit fees	77,113	36,920
Office expenses	40,261	39,699
Donations	500	1,500
COVID19 expenses	-	803
Other operating expenses	568,712	223,978
Recruitment and advertising	1,110	212
	5,120,702	**4,141,591**

Employee benefits		
Salaries	2,157,534	1,900,843
Allowances	44,687	6,202
Social security contribution	90,397	92,933
Long term retainer expense	(13,322)	(86,822)
Medicals and expenses	141,508	137,116
Other staff expenses	(4,262)	(18,861)
	2,416,542	**2,031,611**

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

Investment			2023	
	01-Jan-23	**disposals**	**FV gains**	**31-Dec-23**
Zep-Re (1% shareholding)	3,980,190	-	917,909	4,898,099
Rwanda Stock Exchange (5% shareholding)	4,558	-	6,899	11,457
RIM (15% shareholding)	488,734	(488,734)	-	-
TOTAL	4,473,482	(488,734)	924,808	4,909,556

Investment			2022	
	01-Jan-22	**Additions/ (disposals)**	**FV gains**	**31-Dec-22**
Zep-Re (1% shareholding)	3,790,294	-	189,896	3,980,190
Rwanda Stock Exchange (5% shareholding)	4,558	-	-	4,558
RIM (15% shareholding)	433,054	-	55,680	488,734
TOTAL	4,227,906	-	245,576	4,473,482

9. b) Fair value changes – Investment property

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

Investment			2022	
	01-Jan-22	Additions/ (disposals)	FV gains/(loss)	31-Dec-22
Prima 2000 Building	5,424,143	-	10,770	5,434,913
Nyabugogo Building	28,597	-	8,948	37,545
TOTAL	5,452,740	-	19,718	5,472,458

10. Property and Equipment

	Land	Buildings	Motor vehicles	Office equipment & furniture	IT equipment	Apartment materials	Medical and other equipment	Total
COST	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	4,874,131
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	5,205,451
DEPRECIATION								
At 1 January 2023	-	808,517	281,155	126,633	433,734	200,660	75,231	1,925,930
Write offs**	-	-	-	166	-	8,030	-	8,204
Charge for the current year	-	71,755	17,542	11,478	31,148	-	536	132,459
At 31 December 2023	-	880,272	298,697	138,277	464,882	208,690	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

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Sanlam Assurances Générales Plc
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

10. Property and equipment (continued)

*During the year ended 31 December 2023, the Company performed a revaluation of land and buildings. The revaluation was completed on 14 December 2023 by Engineer MUHIRE Jean Claude, a certified independent valuer in Rwanda. The carrying amount of property, plant and equipment would have been Frw 2,577,875 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	Revaluation gain	Revalued amount	Accumulated depreciation	Net book value
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Head office building	3,353,370	234,914	3,118,462	762,803	2,355,659
Muhanga building	203,100	1,512	201,655	58,621	143,034
Rusizi building	220,352	40,849	179,703	56,391	123,312
Rubavu building	85,841	27,513	58,328	2,450	55,878
TOTAL	3,862,735	304,588	3,558,147	880,273	2,677,875

Sanlam Assurances Générales Plc
Notes to the Financial Statements (continued)
For the year ended 31 December 2023

10. Property and Equipment (continued)

Property and Equipment

	Land	Buildings	Motor vehicles	Office equipment & furniture	IT equipment	Apartment materials	Tangible - Work in progress	Medical and other equipment	Total
COST	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
At 1 January 2022	493,306	3,132,173	294,861	133,686	463,186	213,425	64,693	89,970	4,882,300
Additions	-	-	-	1,059	20,545	19,386	-	-	40,990
Transfer	-	-	-	-	-	-	(64,693)	-	(64,693)
Revaluation*	-	(67,331)	56,461	36,883	2,818	-	-	(12,594)	16,237
At 31 December 2022	493,306	3,064,842	351,322	171,628	483,549	232,811	-	77,376	4,874,834
DEPRECIATION									
At 1 January 2022	-	777,455	257,766	112,013	393,095	189,942	-	74,515	1,804,786
Write offs**	-	(33,542)	-	-	-	10,717	-	-	(22,825)
Charge for the current year	-	64,605	23,389	14,619	40,640	-	-	716	143,969
At 31 December 2022	-	808,518	281,155	126,632	433,735	200,659	-	75,231	1,925,930
Net book value at 31 December 2022	493,306	2,256,325	70,167	44,996	49,814	32,151	-	2,145	2,948,904

**Adjustments were done on costs and accumulated depreciation to match the assets register and book of accounts as at 31 December 2022.

11. Intangible assets

	Software	Software - Work in progress	Total
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
Year ended 31 December 2022			
Cost			
At 1 January 2022	1,109,569	121,112	1,230,681
Transfer	119,372	(119,372)	-
Additions	-	17,778	17,778
At 31 December 2022	1,228,941	19,518	1,248,459
Amortization			
At 1 January 2022	1,091,978	-	1,091,978
Charge for the year	38,638	-	38,638
At 31 December 2022	1,130,616	-	1,130,616
Net carrying amount			
At 31 December 2022	98,325	19,518	117,843

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

12 Investment properties

	2023 Frw'000	2022 Frw'000
Balance as at 1 January	5,472,458	5,452,740
Fair value (loss)/ gain	(41,297)	19,718
Balance as at 31 December	5,431,161	5,472,458

Investment property was revalued to Frw 5,431,161,000 as at 31 December 2023 (2022: Frw 5,472,458,000).

Investment property relates mainly to the PRIMA 2000 building which is fully rented to third parties. As at 31 December 2023, 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) A willing buyer and willing seller both of whom are fully informed about the property and not acting out of compulsion.

b) 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.

c) 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

d) 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 (2022: Frw 968,525,013)

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13 Financial assets

a) Government securities at amortised cost

	2023	2022
	Frw'000	Frw'000
Treasury bonds		
Principle amount	4,154,950	1,300,00
Accrued interest	223,145	15,545
Expected credit loss	(34,963)	(43,794)
	4,343,132	1,272,751
Movement in expected credit loss:		
At 1 January	43,794	-
Charge for the year	(8,831)	43,794
31 December	34,963	43,794

Below is the listing of the government bonds held:

No	Issuer	Effective date	Expiry date	Interest rate	2023 Frw'000	2022 Frw'000
1	BNR	23-Aug-18	23-Aug-23	12.90%	-	100,000
2	BNR	23-Aug-18	23-Aug-33	12.90%	200,000	200,000
3	BNR	23-Dec-21	7-May-32	12.15%	1,000,000	1,000,000
4	BNR	22-Mar-23	7-May-32	12.40%	1,500,000	-
5	BNR	9-Jun-23	6-Jun-24	10.00%	454,950	-
6	BNR	21-Jun-23	10-Jun-33	10.60%	1,000,000	-
					4,154,950	1,300,000

Financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR), less impairment. Amortised cost is calculated by taking into account 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

	2022	Movements	2023
	Frw'000	Frw'000	Frw'000
Zep-Re (1% shareholding)	3,980,191	917,909	4,898,099
Rwanda Stock Exchange (5% shareholding)	4,557	6,899	11,457
RIM (15% shareholding)	488,734	(488,734)	-
	4,473,482	436,074	4,909,556

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 2023, Zep-Re and Rwanda Stock Exchange equity investments were revalued to Frw 4,898,099,000 and Frw 11,457,000 and Frw which resulted in a fair value gain of Frw 924,808,000 mainly due to exchange rate USD/FRW fluctuation. Sanlam AG has disposed-off the equity shares of RIM SA.

13 Financial assets (continued)

(d) Financial assets –Short term deposit	2023	2022
	Frw'000	Frw'000
Term deposit	8,427,000	6,300,000
Accrued interest	131,350	175,785
Expected credit loss	(36,790)	-
	8,521,560	6,475,785

Movement in expected credit loss:

	2023	2022
	Frw'000	Frw'000
At 1 January	-	-
Charge for the year	36,790	-
31 December	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
BPR	1,000,000	10.00%	21-Feb-23	21-Feb-24
COPEDU	327,000	9.00%	22-Feb-23	22-Feb-24
NCBA	500,000	9.50%	11-Aug-23	11-Aug-24
Equity Bank	1,500,000	10.00%	25-Sep-23	25-Sep-24
I&M Bank	1,000,000	10.00%	26-Sep-23	26-Sep-24
Bank of Kigali	1,500,000	10.50%	2-Oct-23	2-Oct-24
Bank of Africa	600,000	9.00%	10-Oct-23	9-Oct-24
Ecobank	1,000,000	10.00%	25-Oct-23	25-Oct-24
	8,427,000			

14. Other assets

	2023	2022
	Frw'000	Frw'000
Other receivables	87,062	114,057
Prepaid expenses	12,761	213,459
Accrued income	-	35,787
Rent receivables	77,381	38,899
Deposit and repayments	85,857	82,015
Other	30,789	31,004
Expected credit loss	-	(1,486)
Tax receivables	1,185,353	1,629,536
	1,479,203	2,143,911

15 Related party transactions

SANLAM Assurances Générales 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, SANLAN Assurance Generales Plc, SANLAM Vie Limited, SOCAR, and SANLAM Towers Limited, SANLAM Assurances Générales Plc has investments in SANLAM Towers Limited and SOCAR an insurance company domiciled in Burundi.

a) Due from related parties

	2023 Frw'000	2022 Frw'000
Sanlam Vie Rwanda Plc	29,197	39,182
Soras Towers Limited	305	2,488
Sanlam Rwanda Limited	-	262,106
Sanlam Emerging Markets	104,091	-
SAHAM Assistance	28,978	23,154
Sanlam TANZANIA	-	2,030
Sanlam TOGO	1,077	-
	164,548	328,960

b) Due to related parties

	2023	2022
Sanlam Emerging Markets	-	43 177
Sanlam Rwanda Limited	45,821	-
	45,821	43,177

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:

	2023 Frw'000	2022 Frw'000
Salaries	2,157,534	1,900,843
Medicals and expenses	141,508	137 116
Social security contribution	90,397	92,933
	2,389,439	2,130,892

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 2022, 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	2023 Frw'000	2022 Frw'000
SANLAM Vie PLC	Motor insurance	14,834	8,145
	Property insurance	12,135	10,284
	Medical insurance	89,710	75,307
		116,679	94,336
SANLAM Towers	Motor insurance	3,042	1,077
	Liability insurance	5,005	5,005
	Property and motor insurance	29,081	29,081
		37,128	35,163

e) Directors' emoluments

	2023 Frw'000	2022 Frw'000
Non- executive	91,386	80,208
	91,386	80,208

16 Income tax expense

(a) Deferred income tax liability

Frw'000	Tax rate	1 January	Current year charge/ (credit) to income stm	31 December
2023				
Investment property		1,641,737	(121,013)	1,520,724
Property, Plant 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
2022				
Investment property		1,606,707	35,030	1,641,737
Property, Plant and Equipment		687,773	(4,247)	683,526
Other temporary differences		(309,969)	(1,244,659)	(1,554,628)
Balance as at 31 December 2022	30.00%	1,984,511	(1,213,876)	770,635

(b) Income tax charge

	2023	2022
	Frw'000	Frw'000
Current income tax charge for the year	960,557	123,206
Deferred income tax charge/(credit)	768,664	(1,111,969)
	1,729,221	(988,763)

() Reconciliation of effective tax rate

The income tax charge on the company's (loss)/profit differs from theoretical amount that would arise using the basic rates as following:

	Effective tax rate	2023	Effective tax rate	2022
	%	Frw'000	%	Frw'000
Accounting Profit		2,526,770		(3,571,193)
Income tax at statutory rate	29%	742,940	(30%)	123,206
Effects of non-deductible expense	39%	986,730	(1%)	50,808
Effects of changes in tax rates	-5%	(115,031)	0%	-
Effects of IFRS 17 adjustments	4%	112,576	59%	(2,110,929)
	68%	1,729,221	28%	(988,763)

17 Cash and cash equivalents

	2023	2022
	Frw'000	Frw'000
Cash on hand	172,319	386,040
Bank balances	7,508,114	6,162,813
Expected credit loss	(5,088)	-
	7,675,345	6,330,853

Movement in expected credit loss:

	2023	2022
	Frw'000	Frw'000
At 1 January	-	-
Charge for the year	5,088	-
31 December	5,088	-

18 a) Share capital and share premium

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

The total authorised number of ordinary shares is 795,685 (2022: 795,685), with a par value of Frw 10,000 per share (2022: 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 loss plus accumulated losses brought forward.

	31-Dec 2023	31-Dec 2022
	Frw '000	Frw '000
At the start of the year	(3,770,093)	(1,063,971)
Gain/(loss) for the year	1,035,058	(2,824,497)
As at the end of the year	(2,735,035)	(3,888,468)

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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 is OSCR	Claims incurred (-)	Commission paid (-)	Management expenses (-)	Net underwriting P&L
MOTOR	7,497,522	134,097	841,381	1,594,830	4,531	4,555,614	340 439	(8,555)	4,206,620	892,757	2,507,301	(2,206,719)
PROPERTY	2,169,222	44,060	119,688	1,358,553	381,730	135,266	46,353	(7,830)	81,088	120,968	611,865	304,942
LIABILITY	1,187,875	2,115	(1,439)	875,462	99,183	18 879	10,000	12,412	21,291	89,498	328,967	(4,614)
TRANSPORTATON	25,738	100	(7,406)	16,019	180	-	-	-	-	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	9,582,452	69,033	(1,625,744)	956,220	180,013	7,762,261	765,225	(257,581)	6,729,485	631 710	1,527,962	1,610,859
ENGINEERING	2,236,960	1,765	26,719	1,972 727	170 627	109,172	82,436	29,783	56,525	57,106	616,820	(321,720)
GUARANTEE	983,438	27,076	18,264	769 012	122 729	2,245,257	2,164,607	(16,568)	74,082	24,141	274,001	(45,448)
TOTAL	**23,988,036**	**280,914**	**(618,500)**	**7,558,585**	**1,024,415**	**14,840,373**	**3,399,064**	**(231,755)**	**11,209,564**	**1,635,437**	**5,969,349**	**(459,061)**

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Sanlam Assurance Générales Plc
Appendix 1: Other disclosures
For the year ended 31 December 2022

IV. DETAILED REVENUE ACCOUNT AS AT 31 DECEMBER 2022 (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 is OSCR	Claims incurred (-)	Commission paid (-)	Management expenses (-)	Net underwriting P&L
MOTOR	6,509 736	124,595	237,396	1,340,588	2,256	5,263,842	642,133	(125,001)	4,496,708	542,653	2,069,321	(3,537,080)
PROPERTY	1,777 179	35,840	73,911	1,143,071	374,985	458,637	350,775	(23,081)	84,780	122,313	846 642	(83,113)
LIABILITY	893,445	2,230	(12,866)	691,395	79,355	4,360	-	31,596	35,956	74,684	421 205	(229,329)
TRANSPORTATON	109,042	150	23,983	55,737	11,361	29	-	(15)	14	4,246	51,006	(14,425)
ACCIDENT	282,763	10,111	(30,762)	18,015	4,504	18,854	-	14,735	33,589	36,726	136,809	108,891
MEDICAL	9,078,423	83,880	615,623	906,858	240,969	5,858,369	575,583	(101,445)	5,181,240	522,865	1,559,771	617,687
ENGINEERING	2,276,552	1,895	2,029	2,076,825	212,912	4,090	398	(4,932)	(1,241)	46,972	1,064,262	(600,489)
GUARANTEE	299,402	23,850	15,248	150,031	39,162	(330 947)	4,733	(100,567)	(436,247)	18,250	151,004	464,130
TOTAL	20,232,634	282,131	924,642	6,381,320	965,486	11,277,233	1,573,722	(308,710)	9,394,799	1,355,889	7,187,227	(3,763,827)

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