



MAYFAIR

I N S U R A N C E

You are in safe hands

Integrated Annual Report

December - 2021

MAYFAIR INSURANCE COMPANY RWANDA LTD



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ABBREVIATION

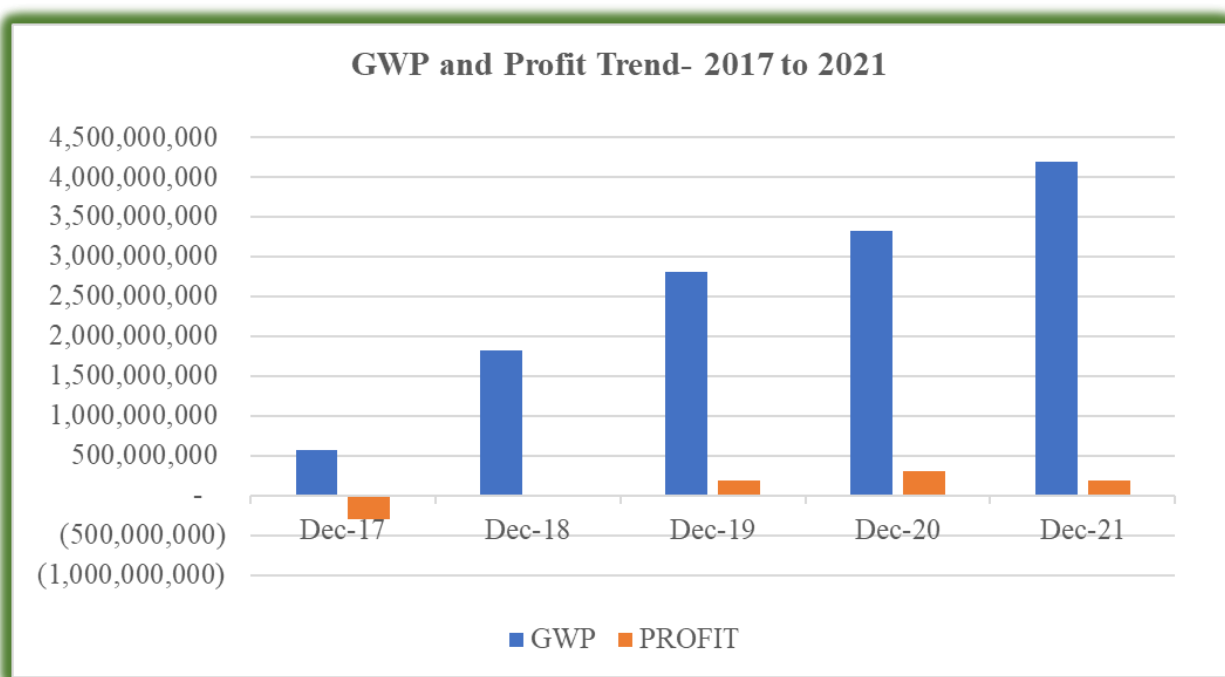
MICR: Mayfair Insurance Company Rwanda Ltd	OCR: Outstanding Claims Reserve.
NBR: National Bank of Rwanda	UPR: Unearned Premium Reserve.
GWP: Gross Written Premium	BCL: Basic Chain-Ladder Method.
NEP: Net Earned Premium	BF: Bornhuetter-Ferguson Method
HR: Human Resources	IBNR: Incurred but Not Reported
RDB: Rwanda Development Board	IEUR: Initial Expected Ultimate Loss Ratio.
PAR: Plant All Risks	RSSB: Rwanda social security board
CRI: Collateral Indemnity Insurance	MMI: Military medical Insurance

REPORTS HIGHLIGHTS

Key Figures for 2021

28% Decrease in Net Profit compared to 2020	Net Profit: Frw 226M
56.29% increase in Underwritten Policies	9,868 Accumulated Underwritten Policies in 2021 against 6,314 in 2020
Gross Written Premiums: Frw 4.19 Bln	Gross Earned Premiums: Frw 4.22 Bln
Net Earned Premium: Frw 1.387 Bln	Net Claims Incurred: Frw 493.056 M
Total Asset: Frw 7.676 Bln	Net Asset: Frw 3.237 Bln

Growth of GWP and Profit /Loss before taxes 2017 -2021 (Frw)



CHAIRMAN'S STATEMENT



FOREWORD

I take pleasure in presenting to you the consolidated annual report and financial statements of Mayfair Insurance Company Rwanda Ltd for the year ended 31st December 2021.

I am especially pleased to note that the results highlight a successful year. A key driver behind the financial success was our strategy. These results demonstrate that we are in the right market, with the right strategy, a right leadership in place to deliver consistent value to our stakeholders.

BUSINESS ENVIRONMENT

The year under review was a very challenging year given the Covid 19 Pandemic that greatly affected the business environment. This resulted in reduced spending due to decreasing income levels and restrained investing as a result of the great uncertainty into the future. According to our regulator, our industry remained resilient; the general insurance business, which is the line of our business, remained the largest business line accounting around 80% of the total industry premiums while life insurance represented 20% of the total industry premiums. This signifies the importance of our business in driving the economy of Rwanda. The Insurance Industry stability greatly improved in the year with total assets as reported by NBR increasing by 18%.

FINANCIAL RESULTS

2021 is the fourth consecutive year, the company has recorded growth of income and profitability. Despite the Covid 19 global pandemic and stiff competition in our market, the Company achieved Frw 4.190BN in GWP, a growth of 26% from the previous year 2020, a Profit Before Tax of Frw. 324M and Profit after Tax of Frw. 226M.

OUTLOOK AND STRATEGY

We remain confident that the Company will sustain the growth momentum even despite the challenging global crisis of Russia / Ukraine war that is now being felt across the globe and the Covid 19 crisis which is yet to be fully won as businesses and individuals continue to grapple with the post effects. We however remain focused to the implementation of our five years strategic plan 2020-2024 and to continue innovating our products and re-engineering our processes so as to remain competitive in the market place. Our leadership, team remain the critical driver of our Strategy and Mayfair Insurance Company Rwanda Limited will endeavour to recruit highly qualified and professional staff, who are continually trained to acquire appropriate skills in order to cope with the dynamic business environment.

APPRECIATION

On behalf of the Board of Directors, I acknowledge with appreciation the support and cooperation of our shareholders. I appreciate each and every Board Director for their devoted leadership which has steered Mayfair Insurance Company Rwanda in the desired direction. We are deeply touched and indebted to our esteemed clients who have continued to patronise and support us in this journey.

I would also like to extend the board's appreciation to the management and staff for their loyalty, dedication and commitment to our company's vision to remain a *'reliable and innovative Pan-African financial services leader'*.

Long life to our company.

BYUSA HANGU Alphonse

Chairman of the Board of Director

MANAGING DIRECTOR'S STATEMENT



PERFORMANCE

2021 has been another successful year for Mayfair Insurance Company Rwanda Ltd. The Company has achieved good performance in all facets of its operations. The premiums written, cash flow, investments, profitability, and asset base, among other indicators registered commendable growth in the year. This good performance was driven by many factors among them focused marketing aligned to the select distribution channels, better intermediary relationships, maintenance of an optimal business mix, proactive investments portfolio management and improved service delivery to our customers.

FINANCIAL RESULTS

Amidst a very challenging business environment following the outbreak of COVID 19 pandemic in March 2020 the global and national economies were almost at their knees, experiencing big businesses disruption, job losses, lack of liquidity and drastic drop of purchasing power of insurance customers. I am pleased to report that Mayfair Insurance company Rwanda Ltd achieved a good performance with a Gross written premium (GWP) of Frw 4.190Bn and Net Earned Premium (NEP) of Frw 1.3Bn. Our GWP increased by 26% and underwriting income by 16% in 2021. Our assets grew by 34% in 2021 and the company realized positive retained earnings of Frw 226 million.

HUMAN CAPITAL, PROCESSES & TECHNOLOGY

An organization is only as good as its human resource. We have maintained our strength and continue to invest in our people and emerging technology to make insurance simpler and more accessible by our customers. We also continued to inspire strong confidence among our customers, intermediaries and investors as the most reliable general insurance company in Rwanda. Transformation of both our internal processes and staff attitude have remained our key strength over the last year as we sought new ways to serve a new generation of customers whose expectations and lifestyles are being influenced by market trends.

With our emphasis on human resources development and open workspace, we have been able to instill collaboration and connection which encourages experimentation, teamwork and self-initiative. We believe such a work culture will help us nurture a ready workforce that is agile and adaptive, with the right skills set and mindsets to meet the increased and changing demands of our customers today and tomorrow.

FUTURE OUTLOOK

The Company takes cognizance of increased competitive environment and continues to implement appropriate strategies to enhance its growth and profitability.

We believe we have the right strategy to navigate through the inevitable challenges that lie ahead. Aggressive marketing in the selected markets, enhanced stakeholder relationships, improved customer service, innovations in products and processes to meet the changing customer needs and enhanced quality of service will remain our hallmark. As we move forward, we will continue to invest in digital solutions that will make it easier for our customers to understand and to buy insurance, and for our intermediaries to identify needs and to make the right recommendations.

Finally, I would like to extend my heartfelt gratitude to our customers, shareholders, Board of Directors and staff for having committed to and supported our initiative to become customer centered. I look forward to working with our people, intermediaries, regulators and other partners, in an onward journey to take Mayfair Insurance Company Rwanda Ltd to greater heights.

Thank you and God bless you.

Daniel Mugisha MUHIMUZI

Managing Director

CORPORATE GOVERNANCE STRUCTURE.

a) Board of Directors

Mayfair Insurance Company Rwanda Limited as a regulated financial institution has to adhere to the best practices of corporate governance. The shareholders nominate skilled and experienced directors of good calibre to oversee the management of the company. MICR board of directors performs annual self – assessment as per the requirement of the corporate governance regulation.

Below are MICR Board Members in 2021:



BYUSA HANGU ALPHONSE
Chairman of the Board of Director



Ambassador Benjamin Rugangazi
**Director and Chairperson of Executive
and Investment committee**



Anjay V. Patel
Director



Richard RWIHANDAGAZA
**Director and Chairperson of Risk
Management and compliance committee**



Jessica IGOMA
**Director and Chairperson of Audit
and HR committee**



Dr. Shivon Byamukama
**Director and Chairperson of Underwriting
and Claims committee.**



Kamanzi Symphorien.
Director

b) Board committees

In line with best practices, MICR Board has in place various committees; and below are committees and their members:

COMMITTEES	MEMBERS
Underwriting and Claims	Dr. Shivon Byamukama, Chairperson Mr. Richard Rwihandagaza, Member Mr. Symphorien Kamanzi, Member
Audit and Human Resources	Mrs. Jessica Igoma, Chairperson Mr. Anjay Patel, Member Amb. Ben Rugangazi, Member
Executive and Investment	Amb. Ben Rugangazi, Chairperson Mrs. Jessica Igoma, Member Mr. Richard Rwihandagaza, Member
Risk Management and Compliance	Mr. Richard Rwihandagaza, Chairperson Mrs. Jessica Igoma, Member Mr. Symphorien Kamanzi, Member

c) Senior Management

The senior Management is guided by the Managing Director and is responsible for the daily management and implementation of the board approved policies and strategic decisions.

Below are senior Management of MICR:



Daniel Mugisha MUHIMUZI

Managing Director



Benjamin Muendo MWANGANGI

General Manager



Joel NKEZABERA

Finance and Administration Manager



Ferdinand Rwirangira NGANJI

Underwriting and Reinsurance Manager



Emmanuel MBANJIMBERE

Risk and Compliance Manager

INSURANCE SECTOR OUTLOOK 2021

According to NBR, the structure and composition of the sector remained the same. The sector is made up of private and public insurance. Private insurance is composed of 13 insurance companies of which 9 offer non- life insurance product, 3 offer life insurance and 1 micro insurance product. In addition to private insurers, the sector also consists of 2 public health insurers (RSSB Medical and MMI).

Private insurance is dominated by non-life insurance which is short term in nature. Non- life or general insurance represented around 80 percent of total premiums of private insurers and 46 percent of total insurance sector GWP. General insurance business largely consists of motor and medical insurance products with a combined share of 63.8 percent of total gross premiums, and 30 percent of total insurance industry. On the other hand, life insurance, a long-term category of insurance provides financial compensation of amount assured at the maturity or in case of the death of policyholder. Life Insurance business consist of ordinary life, traditional life, term, and credit life products. Ordinary life and credit protection dominated with 67 percent of gross premium collected by life insurers in December 2021.

Product Break down for non –life Insurance

Product Description (in Frw million)	Dec-20			Dec-21		
	GWP	Claims	Claims ratio	GWP	Claims	Claims ratio
Motor	33,218	29,709	59%	37,857	21,170	63%
Property	7,778	2,164	38%	12,486	727	19%
Medical	21,758	17,250	68%	22,947	13,989	76%
Liability	1,928	757	-10%	2,947	506	42%
Transportation	923	578	38%	1,235	106	18%
Accident& Health	1,394	946	21%	2,139	1,069	74%
Engineering	4,819	795	84%	5,788	242	23%
Guarantee	3,659	1,919	50%	3,818	910	58%
Miscellaneous	3,277	533	67%	6,077	316	36%

Source: BNR, Financial stability directorate.

The growth momentum of the insurance sector continued. Total assets of the sub-sector increased by 18 percent to Frw 701 billion, higher than the 15 percent growth recorded in December 2020. All categories of insurers recorded a double-digit growth between December 2020 and December 2021 reflecting a higher return on investments income and retention of their profits made in the prior years.

Financial soundness of the insurance sector.

The insurance sector remained adequately capitalised in 2021. The solvency position remained above prudential requirement, private insurer's solvency ratio stood at 142 percent as at December 2021 compared to 114 percent in December 2020 and well above the regulatory minimum of 100 percent. The key driver of the private insurer's improved solvency position in December 2021 was growth in assets from Frw 218.9 billion in December 2020 to Frw 260.2 billion in December 2021.

Liquidity position of private insurers is improving, the liquidity ratio indicates the proportion of insurers' liquid assets available to cover their current liabilities. Liquidity ratio of private insurers stood at 94 percent in December 2021 below prudential requirement of 100 percent but an improvement from 91 percent in December 2020. Generally, private insurers' portfolio of illiquid assets and increased premium receivables explains the failure to attain the minimum liquidity ratio.



COMPANY PROFILE



MAYFAIR INSURANCE COMPANY RWANDA LTD

MAYFAIR INSURANCE COMPANY RWANDA LTD PROFILE.

Overview:

Mayfair Insurance Company Rwanda Limited (MICR) is an insurance company incorporated under the company code no 105307941 by Rwanda Development Board (RDB) on 2nd February 2016 and was licenced to operate general insurance business in Rwanda by the National Bank of Rwanda (BNR) on 5th May 2017.

The shareholding structure is as below:

SHAREHOLDERS	Percentage of shareholding
Mayfair Insurance Company ltd	40%
Andrea Ltd	17.5%
Gorajia Ravindra Hargovind	12.5%
Amb.Benjamin Rugangazi	10%
Anjay vithalbhai Patel	8.75%
Vishal Rajinderkumar Patel	8.75%
Daniel Mugisha Muhimuzi	2.5%
Total	100%

Vision


To be distinguished as a reliable and innovative Pan-African financial services leader.

Mission

To provide financial security through reliable and innovative insurance solutions.

Core Values

- Integrity
- Professionalism
- Reliability
- Respect

A low-angle photograph of a construction site under a clear blue sky. Two large yellow tower cranes are visible on the left, their jibs extending diagonally across the frame. To the right, a multi-story building is under construction, completely encased in a complex network of silver metal scaffolding. The building's facade is partially visible through the scaffolding. In the bottom right corner, there is a decorative graphic consisting of overlapping geometric shapes in shades of green and grey. The text 'COMPANY PRODUCTS' is written in white, bold, sans-serif capital letters across the left side of the green shapes.

COMPANY PRODUCTS



MAYFAIR INSURANCE COMPANY RWANDA LTD

MAYFAIR INSURANCE COMPANY RWANDA LTD PRODUCTS

1. Motor Insurance (Private & Commercial)

By law, all motor vehicles on public roads should have at least a third party insurance cover for injuries or death caused to third parties (this is commonly known as Act only). Beyond the statute provision, Mayfair Insurance company Rwanda ltd offers the following covers for motor vehicle owners: Comprehensive, motor Third party, theft, fire, & material damage.

2. Fire & allied perils

a) Fire & Special Perils Insurance

This policy covers the insured property against Fire, Lighting and Explosion. The policy is usually extended to cover extra perils of earthquake, volcanic eruption, storm, tempest flood, escape of water from any water tank, apparatus or pipes, impact by road vehicle or animal, riot, strike and civil commotion.

b) Industrial All Risks

This policy covers accidental physical loss or damage to the property insured including buildings, plant, Machinery, other contents, equipment and stock.

3. Engineering

a) Contractors all risks

These policies provide comprehensive and adequate protection against loss or damage in respect of contract works, construction plant and equipment or contractual machinery as well as for Third Party Liabilities in respect of property damage or bodily injury arising in connection with the execution of a Project.

b) Contractors Plant and Machinery Insurance

Covers fire, theft and external accidental damage to the insured plant excluding machinery breakdown. The Plant all Risks (PAR) insurance covers fire, theft and accidental external damages to the insured plant or machinery, excluding damage due to machinery breakdown.

c) Erection All Risks

Covers any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement. The Company will indemnify the Insured in respect of such loss or damage as hereinafter provided. The policy also covers accidental death or injury to third parties and third party property damage.

d) Machinery Breakdown Insurance

This insurance is in respect of unforeseen or sudden damage to any machinery described in the schedule from any accidental cause:

- While in operation or at rest,
- Being dismantled for the purpose of cleaning inspection,
- Removal to another working position.

e) Deterioration of stock

Covers damage/deterioration of stock resulting from breakdown of cold room and other refrigerating equipment.

f) Computer and Electronic Equipment All Risks

This insurance is arranged on All Risks basis covering sudden and unforeseen losses resulting in material damage to the computers and electronic equipment.

4. Bond Insurance

This is a surety issued to a Principal in respect of another, usually a surety guaranteeing the proper performance of that contractor in accordance with the terms of the contract agreement.

Some of the bonds available are:

Performance Bond

Advance Payment Bond

Bid/Proposal/tender Bond

Government Bond

Temporary Importation Bond

Custom Bond

Collateral Indemnity Insurance (CRI)

5. Money Insurance

This policy covers loss of money whilst money is in transit or in securely locked safe or strong room or in the personal custody of some top management staff. The safe itself may also be insured under this Policy.

6. Travel Insurance

Travel insurance covers medical expenses, trip cancellation, lost luggage, flight accident and other losses incurred while traveling, either internationally or domestically.

7. Aviation

This is the insurance of aircrafts. The major items usually covered by the insurance policy are:

- **Hull and machinery**
Including Spare parts
- **Passenger and public liabilities**
Including cover for Crew members.

8. Marine

a) Marine cargo

The marine cargo insurance provides cover for goods being shipped from one country to the other against maritime and other extraneous perils as usually spelt out in the policy.

b) Marine Hull Insurance

The marine hull insurance policy covers the vessel (ship) and her machinery against maritime and other extraneous perils clearly stated/defined in the policy.

c) Goods in Transit

This policy provides cover for loss or damage to goods whilst in transit by land, rail or inland water transport.

The policy also covers damage to the goods during:

Loading and unloading

While temporarily housed

d) Carrier's Legal Liability

Covers legal liability for accidental loss or damage to goods in custody or control of the insured whilst in transit by road or any other specified mode.

9. Group Personal Accident

The Group/Personal Accident Insurance cover is flexible and can be tailor-made to suit the insured's requirements. It is a 24 hours' worldwide cover arranged to provide compensation for Death, Permanent or Temporary Disablement, as well as medical, surgical and hospital expenses incurred as a result of an accident.

10. Public/Product Liability Insurance

The public liability policy is designed to cover the insured against legal liability to third parties for death, bodily injury or property damage arising out of the negligence of the insured's company or employees whilst engaged in the company's business.

11. Workmen's Compensation

The workmen's compensation insurance is designed to provide compensation to employees for injury, death or disease arising out of or in the cause of their employment.

12. Employers Liability/Common Law

Covers Employers Legal liability under common law for damages and claimants' costs and expenses of litigation. In addition, it pays all expenses incurred by the insured with the company's written consent.

13. Domestic Package

This insurance covers private dwelling house and household contents against fire and a wide range of other perils and liabilities.

14. Theft

Burglary and Housebreaking

This policy covers loss or damage to property following forcible and violent entry into and out of a building.

All Risks for mobile property

This policy covers loss or damage to portable items like mobile phones, laptops arising from all risks of accidental nature except for those excluded by the policy

Fidelity Guarantee Insurance

This policy covers the insured against the infidelity of their employees. Cover may be on named position or blanket basis.

15. Consequential Loss

This policy covers loss of profit following interruption of or interference with the business in consequence of damage occurring during the period of insurance arising from the insured perils.

16. Crop Insurance

This covers the shortfall of the yield in the unit area of Insurance of the Insured Crop caused by the Insured Perils. The Perils Insured include drought, excessive rainfall, pests and diseases, earthquake, volcanic eruption, fire, animals, insects, floods and any other peril not specifically excluded that may cause reduction in yield / quantity of the Insured crop.

17. Political Terrorism and Violence

Covers physical loss of property occurring during the period of insurance directly caused by act of terrorism and sabotage, malicious damage, political riots and strikes, civil commotion, invasion or act of foreign enemy, coup d'Etat, insurrection and war.



MARKETING & PROMOTION



MAYFAIR INSURANCE COMPANY RWANDA LTD

MARKETING AND PROMOTION

Mayfair Insurance Company Rwanda Ltd is four years old in the Rwandan market and is anchored on the strong brand of the Parent Company based in Kenya. The parent Company has sustained a strong global financial credit rating of A+ (ke) issued by Global Credit Rating (GCR). Through the marketing and business development functions, we continue to roll out brand awareness campaigns and initiatives such as Radio Advertising, TV scripts, featuring in key magazines and billboards. We have had increased prominence in the social media space and website where we advertise our various products and create an avenue for our customers to engage with us. The Company also shares various branding merchandise such as calendars, notebooks, pens & T-shirts with our intermediaries.

To increase our nationwide outlook and visibility we co-brand our agency offices giving them the pseudo appearance of a Mayfair Branch. We shall continue to roll out various brand awareness initiatives in line with our marketing strategy in order to make the company dominant in the Rwanda market.

A photograph of two men in business suits high-fiving each other. They are standing in front of a modern building with a glass facade. The man on the left is wearing a dark suit and glasses, while the man on the right is wearing a light-colored suit and a patterned tie. A large green diagonal shape overlays the bottom half of the image, containing the title and logo.

CORPORATE SOCIAL RESPONSIBILITY



MAYFAIR INSURANCE COMPANY RWANDA LTD

CORPORATE SOCIAL RESPONSIBILITY.

It is MICR's policy to give back to community through target programs as identified and evaluated by management. In 2021, MICR supported APECOS Rwanda by providing school fees to the orphan they support and shared Christmas with their families.

APECOS Rwanda is a non-profit organization that helps children and orphans affected or infected by HIV/AIDS. It is dedicated to eradicate poverty of the affected children through financial empowerment of their families as well as meeting their educational, clothing, medical, and nutritional needs.

APECOS began operations in 2005. Since then, it has helped over 1000 children through the provision of school fees, financial support to foster families, easy access to health services and psychological support.



Christmas cake shared with APECOS's orphans



Children's education sponsorship



Foods donated to APECOS beneficiaries



FINANCIAL STRENGTH &
PROVISIONING POLICY



MAYFAIR INSURANCE COMPANY RWANDA LTD

FINANCIAL STRENGTH AND PROVISIONING POLICY

Capital Adequacy

The company capital adequacy is a sign that the Company is in a position to settle its liabilities at any time and is capable of paying claims as quick as possible. Since the inception of the company in 2017, the capital adequacy has continued to grow in line with the growing top line. The audited accounts for 2021 indicate a solvency margin ratio of 253.9% against the minimum 100% required by the regulator. In year 2020, the company recorded a solvency margin of 199.7%. The increase of 54.2% is the result of the company policy and strategies of ensuring that the premium collected is invested in quality assets such as term deposit in banks and government bonds.

To maintain this trend, the company will continue to monitor inherent risk that may erode the capital adequacy and proactively manage the Insurance, Credit and Market risks.

Investment status

Mayfair Insurance Company Rwanda Ltd has in place an Investment Policy approved by the board of directors. The main objective of the Policy is to ensure that the rate of return on the invested assets are at least within or above the industry average rate of return and the risk of credit is minimised.

Investment Portfolio as at 31st December 2021 was as follows:

Category	Class	Amount in Frw "000"
Government bonds	Fixed Interest	873,188
Term Deposits	Fixed Interest	2,970,670
Investment in properties	Non- fixed income	601,400
Total		4,445,259

Technical Provisions

Technical provisions are the reserves an insurance company constitutes to ensure the fulfilment of future obligations. Technical provisions are mainly made of outstanding claims reserve (OCR) and Unearned Premium Reserve (UPR).

To ensure the adequacy of reporting and in compliance with regulatory requirement, the company hired an independent external actuary (Zamara actuarial) to review and confirm the technical provisions of the company.

Outstanding claims reserve.

Outstanding claims reserve comprises the claims reported but not yet paid, claims incurred but not yet reported and claims related expenses.

In calculating the claims outstanding current estimate, an insurer shall take into account all future payments related to claims incurred as at the valuation date which are not limited to:

- Claims reported but not yet paid
- Claims incurred but not reported
- Claims related expenses

Normally, the prescribed methodologies in the determination of the outstanding claims reserve (OCR) are as follows:

- Case Estimated method –Using the sum of case estimate as at the valuation date.
- Average cost per claims method- using the average cost of claims incurred.
- Other methods recognised by the best practice.

We selected the most appropriate methodology depending on the volume of data in each class of business and in line with the best practice.

The method - used for the projection of claims valuation were:

- The basic Chain-Ladder Method (BCL),
- The Bornhuetter- Ferguson Method (BF) and,

- The loss ratio method dependent on the class of business projected.

With BCL, development factors were calculated using the last seven years of data by accident period. Ultimate development factor was calculated for each of the development period. Link ratios were excluded if they were deemed to be outliers.

Ultimate development factors were applied to the paid data per accident period and an ultimate claims amount for each accident period was calculated. The future incurred but not reported claims were allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date were then subtracted from the total future claims to give the resulting IBNR figures per accident period.

The BF method is an extension of the BCL Method as the incremental and ultimate development factors calculated (in accordance with the BCL method) form a critical component of a reserve estimate determined using the BF method.

The BF method is used on more recent accident years (depending on the volume of data available) since the estimates produced using the BCL for these accident years cannot necessarily be relied upon with a sufficient degree of confidence. The BF method is a weighted average approach that uses an assumed loss ratio, termed the Initial Expected Ultimate Loss Ratio (IEUR) in combination with the original BCL Projection.

Premium Liabilities.

The Gross UPR was calculated using a time apportionment basis, in particular, the 365th days method. This implicitly assumes that the risk profile of the business is spread evenly over the year.



FINANCIAL REPORT



MAYFAIR INSURANCE COMPANY RWANDA LTD

FINANCIAL REPORT FOR 2021.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021.

AUDITED (FIGURES IN FRW "000")

	Dec-21	Dec-20
Gross Premium	4,190,142	3,327,535
Change in unearned premium	26,994	(145,196)
Gross earned premium	4,217,136	3,182,338
Less: Premium ceded to reinsurers	(2,830,082)	(1,947,200)
Net premium revenue	1,387,054	1,235,138
Add: commission earned	634,081	378,386
Less : commission paid	(405,175)	(342,350)
Net Earned Premium revenue	1,615,960	1,271,175
Gross claims paid	657,168	436,345
Less: Amount recoverable from reinsurers	(325,872)	(208,938)
Change in outstanding claims	132,518	21,461
Change in reserve for Incurred but not reported claims (IBNR)	29,242	57,751
Net claims incurred	493,057	306,619
Management expenses	(1,178,233)	(862,585)
Net underwriting profit /(loss)	(55,329)	101,971
Investment income	330,215	252,341
Other income	48,930	36,360
Profit before income tax	323,815	390,672
Income tax expenses	97,486	77,163
Net Profit for the period	226,329	313,509

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021.

AUDITED (FIGURES IN FRW "000")

	Dec-21	Dec-20
Non -current assets:		
Property and equipment	21,152	23,839
Intangible assets- WIP	244,213	234,216
Right of use asset	66,589	12,099
Investment in Properties	601,400	540,000
Financial assets- at amortized cost	886,506	487,178
Total non -current assets	1,819,861	1,297,333
Current assets:		
Premium Receivables	381,713	369,495
Reinsurance Receivables	1,661,322	1,087,650
Other receivables	70,077	66,080
Deferred tax assets	30,118	21,566
Deferred acquisition costs	181,149	127,507
Financial assets- Term deposits	3,100,375	2,312,890
Cash and Bank balances	431,685	434,430
Total Currents assets	5,856,439	4,419,618
TOTAL ASSETS	7,676,299	5,716,950
EQUITY AND LIABILITIES		
EQUITY		
Share capital	3,011,296	2,418,355
Retained earnings/accumulated losses	71,031	(242,478)
Capitalization of retained earning	(71,030)	-
Profit/Loss for the year	226,329	313,509
Total Equity	3,237,626	2,489,386
Liabilities		
Technical Provisions:		
Outstanding Claims/Claims Payable	689,149	377,498
Provision for Incurred but not Reported claims (IBNR)	153,041	123,799
Provision for Unearned premium	1,823,792	1,456,247
Total of Technical Provision	2,665,982	1,957,544
Other Liabilities		
Reinsurance Payable	967,910	674,134
Commission Payable	245,781	164,113
Due to Related parties	24,835	24,835
Lease Liability	69,692	13,259
Other payables and Accruals	464,474	393,679
Total Liabilities	4,438,673	3,227,565
Total Equity and Liabilities	7,676,299	5,716,950

STATEMENT OF CHANGE IN EQUITY AS AT 31 DECEMBER 2021
AUDITED (FIGURES IN FRW "000")

	Share capital	Accumulated losses	Total
	FRW '000	FRW '000	FRW '000
Year ended 31 December 2020			
At start of year	2,041,175	(242,478)	1,798,697
Total comprehensive income for the year	-	313,509	313,509
Transaction with owners;			
Capital contribution	377,180	-	377,180
At end of year	2,418,355	71,031	2,489,386

Period ended 31 December 2021			
At start of year	2,418,355	71,031	2,489,386
Capitalization of retained earning	71,030	(71,030)	-
Total comprehensive income for the period	-	226,329	226,329
Transaction with owners;			
Capital contribution	521,911	-	521,911
At end of the period	3,011,296	226,330	3,237,626

STATEMENT OF CASHFLOW AS AT 31 DECEMBER 2021.

AUDITED (FIGURES IN FRW "000")

	Dec-21	Dec-20
Profit before income tax	323,815	390,672
Adjustments		
Depreciation charge on equipment	24,219	30,655
Amortisation of intangible asset	27,135	-
Depreciation of right of use an asset	39,519	36,299
Interest income on term deposits	(278,977)	(207,393)
Expected credit loss on receivables	2,548	-
Impairment of deposit in financial institutions	4,819	755
Interest on lease liability	8,698	6,333
Unrealized foreign exchange gain	(2,103)	(1,719)
Revaluation gain on investment property	(2,953)	-
Amortisation of government bonds at premium	5,137	2,884
Adjusted profit before income tax	151,855	258,486
Working capital changes:		
Receivables arising out of direct insurance arrangements	(14,766)	(250,292)
Deferred acquisition costs	(53,642)	20,276
Reinsurance asset	(573,673)	(164,516)
Other assets	(14,107)	(57,921)
Unearned premium reserve	367,545	93,163
Insurance contract liabilities	340,894	296,261
Deferred commission income	90,908	169,068
Other payables	128,295	185,981
Creditors arising from reinsurance arrangements	293,776	(89,453)
Cash outflows from operating activities	717,084	461,052
Interest income received	211,160	130,194
Interest paid on lease liabilities	(8,698)	(6,333)
Tax paid	(162,667)	-
Net cash outflows from operating activities	756,879	584,913
Cash flows from investing activities		

Deposits Purchased/Reinvested with financial institutions	(4,251,601)	(2,685,290)
Matured deposits with financial institutions	3,515,576	2,449,736
Investment in held to Maturity Financial assets	(392,925)	(230,440)
Investment in Property	(58,447)	(278,675)
Purchase of fixed assets	(21,532)	(21,062)
Intangible additions	(37,132)	(81,449)
Net cash outflows from investing activities	(1,246,061)	(847,180)
Financing activities:		
Increase in share capital	521,911	377,180
Payment of principal portion of lease liability	(37,576)	(39,861)
Net cash inflows from financing activities	484,334	337,319
Net cash inflows for the period	(4,848)	75,049
Unrealized foreign exchange gain	2,103	1,719
Cash and cash equivalent opening	434,430	357,662
Cash and cash equivalent closing	431,685	434,430

OTHER DISCLOSURES

AUDITED (FIGURES IN FRW "000")

ITEM	Amount/Ratio	
	Dec-21	Dec-20
A. Solvency Coverage		
A. Solvency Required	500,000	500,000
B. Admitted Assets	5,975,009	4,421,576
C. Admitted Liabilities	4,705,271	3,423,319
D. Solvency Available	1,269,737	998,256
E. Solvency Surplus	769,737	498,256
F. Solvency Coverage ratio	253.9%	199.7%
B. Capital strength		
A. TAC (Total Available Capital)	2,651,465	2,119,484
B. RCR (Risk Based Capital Required)	1,367,847	1,117,126
C. CAR (Capital Adequacy ratio)	194%	190%
C. Earnings Risks		
A. Claims Ratio	36%	25%
B. Management expenses ratio	85%	70%
C. Underwriting Expenses Ratio	-17%	28%
D. Combined ratio	104%	122%
D. INVESTMENT EXPOSURE		
A. Investment exposure	None	None
B. Earning assets ratio	60%	58%
C. Investment Property ratio	8%	9%
D. Equity assets ratio	None	None

E. Liquidity risk		
A. Liquidity ratio (LCL)	100%	130%

F. Exposure to related parties		
A. Loans to Directors and Senior Management	None	None
B. Loans to employees /staff	3,175	100
C. Loans to subsidiaries and affiliates	None	None
D. Loan to shareholders/holding company	None	None
E. Investment in related Parties	None	None

G. Operational risk		
Number and types of fraud and their corresponding amount	None	None

H. Business Composition		
A. Number of policyholders per branch	4,493	2,948
B. Number of policies in force per branch	9,868	6,312

I. Management and board composition		
A. Number of Board members (independent and non independent)	7	7
Independent	4	4
Non-independent	3	3
B. Number of Board committees	3	3
C. Number of senior management staff by gender		
Male	5	5
Female	-	-

J. staff		
A. Total number of non-managerial staff by gender		
Male	9	7
Female	5	5

K. Insurance intermediaries		
A. Number of insurance agents	41	31
B. Number of loss adjusters/assessors	6	5

L.Branches		
A.Number of branches by Province including Kigali		
Kigali	1	1

PRODUCT PERFORMANCE

AUDITED (FIGURES IN FRW "000")

Product type	Gross premium written (1)	Ceded Premium (2)	Net premium written (3)	Change in unearned premium (4)	Net earned premium (5) (3-4)	Net commission income or expenses (6)	Net claims incurred (7)	Management expenses (8)	Technical profit/loss (9) (5-6-7-8)
Engineering Insurance	282,804	240,341	42,462	(22,016)	64,478	(41,068)	14,774	84,621	6,150
Marine Insurance	275,542	126,106	149,437	(170)	149,607	(3,613)	46,076	104,127	3,016
Liability Insurance	377,704	284,664	93,040	(7,777)	100,817	(595)	27,640	72,068	1,704
Motor Insurance	888,277	181,787	706,491	(43,640)	750,131	80,689	332,913	428,857	(92,329)
Personal Accident	184,028	113,464	70,563	(6,577)	77,140	(7,273)	6,864	67,047	10,501
Workmen's Compensation	23,179	3,166	20,013	534	19,479	2,645	2,322	8,373	6,139
Theft Insurance	302,819	263,263	39,556	867	38,689	(27,218)	3,580	47,279	15,048
Fire Insurance	1,188,296	1,037,062	151,234	23,699	127,535	(124,930)	56,862	213,047	(17,444)
Agricultural Insurance	267,430	250,404	17,027	(630)	17,656	(51,365)	-	59,965	9,056
Bond (Miscellaneous) Insurance	398,214	328,162	70,052	28,714	41,338	(55,805)	2,025	92,777	2,340
Aviation Insurance	1,848	1,664	185	-	185	(374)	-	71	488
Total	4,190,142	2,830,082	1,360,060	(26,994)	1,387,054	(228,906)	493,057	1,178,233	(55,329)

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