

**MAYFAIR INSURANCE COMPANY RWANDA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

CERTIFIED AS TRUE COPY OF  
THE ORIGINAL  
  
KPMG Rwanda .....

**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**CORPORATE INFORMATION**

**Registered office and principal place of business**

Mayfair Insurance Company Rwanda Limited  
Kigali Heights, Ground Floor  
KG 7 Ave  
P.O Box 1380  
Kigali, Rwanda

**Bankers**

Access Bank Rwanda PLC  
P.O Box 2059  
Kigali, Rwanda

Bank of Kigali PLC  
P.O BOX 175  
Kigali, Rwanda

BPR Bank Rwanda Plc  
Po Box 1348  
Kigali – Rwanda

ECOBANK Rwanda PLC  
P.O BOX 3268  
Kigali, Rwanda

I&M Bank Rwanda PLC  
P.O. BOX 354  
Kigali, Rwanda

Equity Bank Rwanda PLC  
P.O BOX 494  
Kigali, Rwanda

Guaranty Trust Bank PLC  
P.O. Box 331  
Kigali, Rwanda

NCBA Bank Rwanda PLC  
P O Box 6774  
Kigali, Rwanda

Urwego Finance CBC  
P.O Box 748  
Kigali- Rwanda

AB Rwanda PLC  
P.O. Box 671  
Kigali, Rwanda

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

**Auditor**  
KPMG Rwanda Limited  
5<sup>th</sup> Floor, Grand Pension Plaza

**Company Secretary**  
James NGIRUMWE  
Mayfair Insurance Company  
Rwanda Ltd  
KG 7 Ave,  
Kigali Heights, Ground Floor  
P.O Box 1380  
Kigali, Rwanda

**Key Legal Advisor**  
Leopold MUNDERERE  
Advocate no:20/T/1995

P.O. Box 6755  
Kigali-Rwanda

KN 2 Ave, 12  
Kigali Rwanda



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**REPORT OF THE DIRECTORS**

The directors submit their report and together with the audited financial statements for the year ended 31 December 2025, which disclose the state of the company's affairs.

**1. Principal activity**

The principal activity of the company is that of insurance cover for general business.

**2. Results**

The results for the year are set out below:

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
<b>Profit after tax</b>	586,360	642,150

**3. Dividends**

The directors do not recommend payment of dividend with respect to the year ended 31 December 2025. (2024: Nil)

**4. Reserves**

The reserves of the company are set out on page 11.

**5. Directors**

The directors who served during the year and to the date of this report were: -

<b>Name</b>	<b>Details</b>	<b>Nationality</b>
Byusa Hangu Alphonse	Chairperson - independent	Rwandan
Jessica Igoma	Managing director	Rwandan
Anjay Vithalbhair Patel	Member	British
Richard Rwihandagaza	Member – independent	Rwandan
Shivon Byamukama	Member – independent	Rwandan
Benjamin Rugangazi	Member	Rwandan
Alida Providence Nzalela	Member – independent	Rwandan
Senthil Ganesh Shanbagamoorthy	Member	Indian

**6. Auditor**

The Company's auditor, KPMG Rwanda Limited being eligible for reappointment, has expressed willingness to continue in the office in accordance with the regulation no 44/2022 of 02/06/2022 determining requirement and other conditions for accreditation of external auditors for regulated institutions.

**By order of the Board**

**Company Secretary**

**Date:** 18/03/2026

*James Ndirumwe*  
James Ndirumwe



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025**

The Directors are responsible for the preparation of financial statements as set out from page 10 to 68 that give a true and fair view of Mayfair Insurance Company Rwanda Limited financial statement, comprising the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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 misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

In preparing the financial statements, the Directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe that the company will not remain a going concern for at least the next twelve months from the date of this statement.

The independent auditor is responsible for reporting on whether, the financial statements give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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.

**Approval of the financial statements**

The financial statements of Mayfair Insurance Rwanda Company Limited were approved and authorised for issue by the Board of Directors on .....18/03/.....2026.

  
.....  
Director **Jessica Igoma**  
  
Date.....18/03/.....2026

  
.....  
Director **Byusa Hango Alphonse**





**KPMG Rwanda Limited**  
**Certified Public Accountants**  
5th Floor, Grand Pension Plaza  
Boulevard de la Révolution  
PO Box 6755  
Kigali, Rwanda

Telephone +250 788 175 700/ +250 252 579 790  
Email: [info.rw@kpmg.com](mailto:info.rw@kpmg.com)  
Internet: [www.kpmg.com/eastafrika](http://www.kpmg.com/eastafrika)

# Independent auditor's report

To the shareholders of Mayfair Insurance Company Rwanda Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Mayfair Insurance Company Rwanda Limited ("the Company"), set out on pages 10 to 68, which comprise of the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and cash flows for the year ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements for a public interest entity in Rwanda and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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. These matters were 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 these matters.



# Independent auditor's report

To the shareholders of Mayfair Insurance Company Rwanda Limited (Continued)

## Report on the audit of the financial statements (continued)

Key audit matters (continued)

### Valuation of insurance contract liabilities (being insurance and reinsurance contract assets and liabilities)

The disclosures associated with valuation of insurance contract liabilities are set out in the financial statements in the following notes:

- Note 4 Use of judgements and estimates
- Note 7 (a) Insurance and reinsurance contracts
- Note 21 Insurance and reinsurance contracts

#### Key audit matter

#### How the matter was addressed in our audit

As at 31 December 2025, the Company recognised insurance contract liabilities of Frw 7.6 billion, reinsurance contract assets of Frw 6 billion together with reinsurance contract liabilities of Frw 0.6 billion arising from its insurance operations. The Company applies IFRS 17, Insurance Contracts to the insurance contracts it issues and the reinsurance contracts it holds.

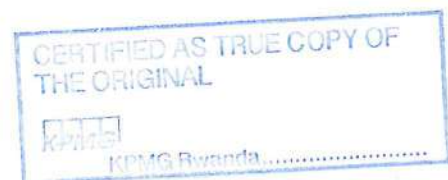
In valuing insurance contract liability balances, management applies significant judgment. Various assumptions are made including probability-weighted estimate assumptions regarding the expected claims, expected directly attributable expenses, commission and charges. Changes to these assumptions may result in material changes to the valuation.

The most significant assumptions made in the valuation of insurance contract liability balances arising from the Company's insurance contracts relate to:

- Discount rates.
- Expected claims incurred arising from future coverage.
- Risk adjustment for non-financial risk
- The uncertainty in the timing of claim payments and recoveries
- Past claims experience being an appropriate predictor of future experience.

#### Our procedures included:

- We tested the design, implementation and effectiveness of management controls over models, including that any changes to models have been appropriately tested and the impacts quantified by management;
- Using our actuarial specialists, we assessed the valuation methodology and assumptions for compliance against legislation and IFRS 17 requirements;
- We challenged key assumptions used in the valuation of insurance contract liabilities. We did this by:
  - Evaluating underlying documentation i.e we considered the timing of claim payments and recoveries using historical data; and
  - Considering external information available (e.g economic variables like discount rates and investigating significant variances between the booked amount and the developed expectation.
- We assessed managements' determination of the confidence levels applied in the determination of the risk adjustment for non-financial risk, in line with the minimum regulatory requirement;
- We evaluated the accuracy of the risk adjustment for non-financial risk, including calculation method, and its related release by conducting walkthrough procedures which involved management taking the audit team step by step through the entire process of developing the risk adjustment models and assessing the movement in claims experience and the concurrent changes on the risk adjustment factors;



# Independent auditor's report

To the shareholders of Mayfair Insurance Company Rwanda Limited (Continued)

## Report on the audit of the financial statements (continued)

*Key audit matters (continued)*

### Valuation of insurance contract liabilities (being insurance and reinsurance contract assets and liabilities) (continued)

The disclosures associated with valuation of insurance contract liabilities are set out in the financial statements in the following notes:

- Note 4 Use of judgements and estimates
- Note 7 (a) Insurance and reinsurance contracts
- Note 21 Insurance and reinsurance contracts

#### Key audit matter

#### How the matter was addressed in our audit

We considered the valuation of insurance contract liability balances to be a key audit matter in our audit of the financial statements because of the following:

- The significant judgements and high degree of estimation uncertainty relating to the magnitude and timing of the projected cash flows and the use of significant unobservable assumptions such as discount rates, expense assumptions and risk adjustment for non-financial risk applied in valuing it;
- The use of actuarial methods that are complex as a result of using probability theories, multiple assumptions and projection models, together with significant judgements and assumptions used in determining the methods used; and
- The material nature of the insurance contract liability balances in the consolidated financial statements as at 31 December 2025.

- We evaluated the reasonability of the build-up and changes in the probability-weighted estimate liabilities (BEL), risk adjustment (RA) and contractual service margin (CSM), by comparing expected changes to previous periods and unexpected changes to our knowledge of changes in the business and assumptions, based on the experience investigation results and assumption changes approved by management/governance structures;
- We assessed the appropriateness of management's allocation of groups of contracts into the various measurement buckets as required by IFRS 17;
- Where management applied the premium allocation approach (PAA) to measure a group of contracts, we also assessed compliance of these groups with the eligibility criteria in IFRS 17;
- For the valuation of the liability for incurred claims (LIC) for PAA contracts, we assessed management's valuation models. We assessed the adequacy of the assumptions applied by management, e.g., claims ratio, claims triangles, reinsurance recovery rates, and assessed the adequacy of the year-end valuation with amongst others reference to prior years and key ratios; and
- We assessed the adequacy of the insurance contract balances disclosures in the consolidated financial statements in accordance with IFRS 17 requirements.

# Independent auditor's report

To the shareholders of Mayfair Insurance Company Rwanda Limited (Continued)

Report on the audit of the financial statements (continued)

## Other information

The Directors are responsible for the other information. The other information comprises the information included in *Mayfair Insurance Company Rwanda Limited Annual Report and Financial Statements for the year ended 31 December 2025* 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Directors for these Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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 and other disclosures by insurers, and for such internal control as the Directors determine 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, the 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



# Independent auditor's report

To the shareholders of Mayfair Insurance Company Rwanda Limited (Continued)

## Report on the audit of the financial statements (continued)

### *Auditor's responsibilities for the audit of the financial statements (Continued)*

- Conclude on the appropriateness of the directors' 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, then 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.

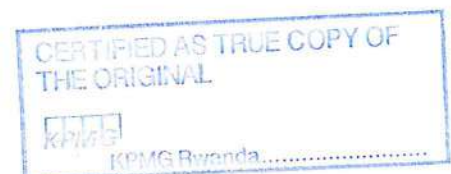
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

### *Report on other Legal and regulatory requirements*

As required by the Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023, we report to you solely based on our audit of the financial statements, that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- Proper accounting records have been kept by the company, so far as appears from our examination.
- We have no relationship, interest or debt with Mayfair Insurance Company Rwanda Limited. As indicated in our report on the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) which includes comprehensive independence and other requirements.
- We have reported internal control matters together with our recommendations to management in a separate management letter.
- According to the best of the information and the explanations given to us as the 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.





# Independent auditor's report

To the shareholders of Mayfair Insurance Company Rwanda Limited (Continued)

Report on the Audit of the Financial Statements (continued)

*Report on other Legal and regulatory requirements (continued)*

The engagement partner on the audit resulting in this independent auditor's report is CPA Wilson Kaindi [PC/CPA/0642/0123].

*Wilson Kaindi*

Wilson Kaindi

KPMG Rwanda Limited

Certified Public Accountants

P. O. Box 6755

Kigali, Rwanda

Date: *27 March*.....2026

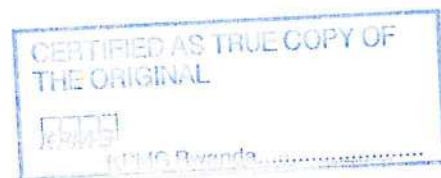


**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 Frw '000	2024 Frw '000
Insurance revenue	8	9,438,931	7,121,383
Insurance service expenses	11	(2,250,983)	(3,585,119)
Net expenses from reinsurance contracts	21	(4,686,388)	(1,160,405)
<b>Insurance service result</b>		<b>2,501,560</b>	<b>2,375,859</b>
Interest revenue calculated using the effective interest method	9	751,924	715,494
Other investment revenue	9	-	42,942
Net impairment loss on financial assets	9	(5,644)	(1,262)
<b>Investment return</b>		<b>746,280</b>	<b>757,174</b>
Net finance expense from insurance contracts	9	(446,034)	(197,475)
Net finance income from reinsurance contracts	9	500,336	178,999
<b>Net financial result</b>		<b>800,582</b>	<b>738,698</b>
Other income	10	66,999	79,417
Other operating expenses	11	(2,566,329)	(2,272,086)
Other finance costs	12	(31,980)	(41,986)
<b>Profit before tax</b>		<b>770,832</b>	<b>879,902</b>
Income tax expense	13(a)	(184,472)	(237,752)
<b>Profit for the year</b>		<b>586,360</b>	<b>642,150</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>586,360</b>	<b>642,150</b>

The notes set out on pages 14 to 68 form an integral part of these financial statements.



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

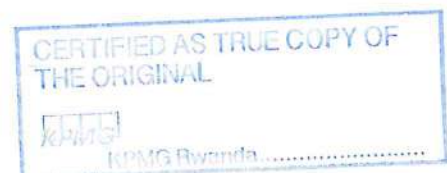
<b>Assets</b>		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>Frw '000</b>	<b>Frw '000</b>
Cash and cash equivalents	14	316,744	193,807
Financial assets at amortized cost	15	7,242,107	6,970,703
Reinsurance contract assets	21	5,997,828	6,344,625
Investment property	17(a)	-	688,100
Investment in Joint venture	17(b)	688,100	-
Right of use asset	22(a)	104,941	214,127
Intangible assets	19	135,674	162,809
Property and equipment	18	108,830	194,408
Deferred tax assets	13(d)	56,704	34,519
Other assets	16	286,653	1,084,040
<b>Total assets</b>		<b>14,937,581</b>	<b>15,887,138</b>
<b>Equity and Liabilities</b>			
<b>Liabilities</b>			
Insurance contract liabilities	21	7,620,397	3,252,535
Reinsurance contract liabilities	21	641,487	5,553,783
Lease liabilities	22(b)	132,513	237,132
Payables	20	1,253,309	2,098,211
Current income tax payable	13(c)	50,671	92,633
<b>Total liabilities</b>		<b>9,698,377</b>	<b>11,234,294</b>
<b>Equity</b>			
Share capital	23 (a)	3,011,296	3,011,296
Retained earnings	23 (b)	2,227,908	1,641,548
<b>Total equity</b>		<b>5,239,204</b>	<b>4,652,844</b>
<b>Total equity and liabilities</b>		<b>14,937,581</b>	<b>15,887,138</b>

The financial statements set out on pages 10 to 68 were approved and authorized for issue by the Board of Directors on 18/03/2026 2026 and were signed on their behalf by:

.....  
Director Jessica IGOMA

.....  
Director Belusa Hangu Alphonse

The notes set out on pages 14 to 68 form an integral part of these financial statements.



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	Share capital Frw '000	Retained earnings Frw '000	Total Frw '000
<b>Year ended 31 December 2024</b>				
Balance at 1 January 2024		3,011,296	1,006,720	4,018,016
Prior year Adjustment		-	(7,322)	(7,322)
Other comprehensive income		-	-	-
Profit for the year		-	642,150	642,150
<b>Balance at 31 December 2024</b>		<b>3,011,296</b>	<b>1,641,548</b>	<b>4,652,844</b>
<b>Year ended 31 December 2025</b>				
Balance at 1 January 2025		3,011,296	1,641,548	4,652,844
Other comprehensive income		-	-	-
Profit for the year		-	586,360	586,360
<b>Balance at 31 December 2025</b>		<b>3,011,296</b>	<b>2,227,908</b>	<b>5,239,204</b>

The notes set out on pages 14 to 68 form an integral part of the financial statements of the financial statements.



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 Frw '000	2024 Frw '000
<b>Cash flows generated from operating activities</b>			
<b>Profit after income tax</b>		<b>586,360</b>	<b>642,150</b>
Adjustments for:			
- Depreciation of property and equipment	18	94,605	96,682
- Amortization of intangible asset	19	27,135	27,134
- Depreciation of right-of-use asset	22	102,961	94,216
- Interest income	15	(746,307)	(719,385)
- Accretion of interest on lease liability	22	31,980	41,986
- Impairment of financial instruments	15	5,644	1,262
- Gain on fair value remeasurement of investment property	17	-	(1,800)
- Amortization of government bonds at premium	15	(1,278)	3,468
- Loss/(Gain) on disposal of property and equipment	10	428	(2,156)
- Unrealized exchange gain		(7,907)	(22,514)
- Income tax expense	13 (a)	184,472	237,752
		<b>278,093</b>	<b>398,795</b>
<b>Working capital changes</b>			
Reinsurance assets		346,797	(3,569,747)
Other assets		797,387	(871,684)
Insurance contract liabilities		4,367,862	(1,037,638)
Reinsurance contract liabilities		(4,912,296)	3,946,931
Payables		(844,903)	1,212,756
<b>Cash generated from operating activities</b>		<b>32,940</b>	<b>79,413</b>
Income tax paid	13 (c)	(248,618)	(124,084)
Interest income received	15	573,438	499,007
Payment of interest portion of lease liabilities	22	(31,980)	(41,986)
<b>Net cash generated from operating activities</b>		<b>325,780</b>	<b>412,350</b>
<b>Cash flows used in investing activities</b>			
Purchase /reinvestment of deposits placed with financial institutions	15 (a)	(16,518,737)	(11,067,313)
Proceeds from matured deposits placed with financial institutions	15 (a)	17,057,276	10,980,392
Purchase of financial assets at amortised cost	15 (b)	(641,440)	(190,000)
Proceeds of matured financial assets at amortised cost	15 (b)	-	150,000
Proceeds from the sale of property and equipment		1,998	2,558
Purchase of property and equipment	18	(11,453)	(235,208)
<b>Net cash used in investing activities</b>		<b>(112,356)</b>	<b>(359,571)</b>
<b>Cash flows used in financing activities</b>			
Payment of principal portion of lease liability	22	(98,394)	(71,211)
<b>Net cash used in financing activities</b>		<b>(98,394)</b>	<b>(71,211)</b>
<b>Net increase/(decrease) in cash and cash equivalents for the year</b>		<b>115,030</b>	<b>(18,432)</b>
Cash and cash equivalents at 1 January		193,807	189,725
Effect of movements in exchange rates on cash and cash equivalents held		7,907	22,514
<b>Cash and cash equivalent at 31 December</b>	14	<b>316,744</b>	<b>193,807</b>

The notes set out on pages 14 to 68 from an integral part of the financial statements.



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS**

**1. Reporting entity**

Mayfair Insurance Company Rwanda Limited is a general insurance company registered on 02 February 2016 and domiciled in Rwanda. The company is licensed under Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No.019/2023 of 30/03/2023. The address of its registered office and principal place of business is stated in page 1.

**2. Basis of accounting**

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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. Details of the company's material accounting policies are included in Note 7.

**3. Functional and presentation currency**

These financial statements are presented in Frw, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

**4. Use of judgements and estimates**

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Refer to note 6.

***i. Judgements***

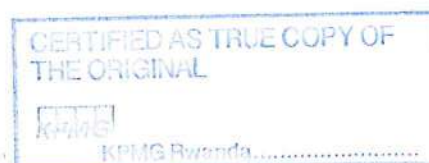
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Impairment of financial assets: establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL. Refer to note 7.
- Classification of financial assets: assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest (SPPI) on the principal amount outstanding. Refer to note 7.
- Level of aggregation of insurance and reinsurance contracts: identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently. Refer to note 6(i), 7(i) and 7(ii).
- Measurement of insurance and reinsurance contracts: determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract.

***ii. Assumptions and estimation uncertainties***

Information about assumptions and estimation uncertainties at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Impairment of financial assets: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information; Refer to note 7.
- Measurement of the fair value of financial instruments and investment properties.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Use of judgement and estimate (continued)**

**ii. Assumptions and estimation uncertainties (continued)**

Information about assumptions made in measuring insurance and reinsurance contracts is included in the note 7(a) and 21. Changes in the following key assumptions may change the fulfilment cash flows materially during 2024. However, these changes would adjust the profitability and would not affect the carrying amounts of the contracts, unless they arise from onerous contracts or do not relate to future services:

- Assumptions about claims development; and
- Assumptions about discount rates, including any illiquidity premiums.

**a) Fulfilment cash flows**

Fulfilment cash flows comprise:

- Estimates of future cash flows.
- An adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- A risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

**Estimates of future cash flows**

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. The estimates of future cash flow reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Company derives cost inflation assumptions from the difference between the yields on nominal and inflation-linked government bonds.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Use of judgement and estimate (continued)**

**a) Fulfilment cash flows (continued)**

**Estimates of future cash flows (continued)**

- claims handling, maintenance and administration costs.
- recurring commissions payable on instalment premiums receivable within the contract boundary.
- costs that the Company will incur in performing investment activities to the extent that the Company performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Company generally allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts within each group. Other costs are recognised in profit or loss as they are incurred.

*Contract boundaries.*

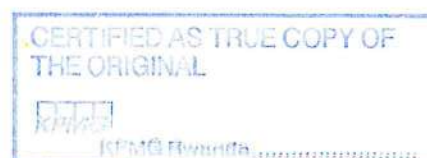
The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Company's substantive rights and obligations under the contract.

**Insurance contracts**

Insurance contracts issued by the Company have annual terms that are guaranteed to be renewable each year. The Company determines that the cash flows related to future renewals (i.e. the guaranteed renewable terms) of these contracts are outside the contract boundary. This is because the premium charged for each year reflects the Company's expectation of its exposure to risk for that year and, on renewal, the Company can reprice the premium to reflect the reassessed risks for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.

**Reinsurance contracts**

Each of the Company's quota share and proportional reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Company and the reinsurer to terminate the cession of new business at any time by giving three months' notice to the other party. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Company expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling three-month notice period. Each of the Company's excess of loss and stop loss reinsurance contracts has an annual term and covers claims from underlying contracts incurred within the year (i.e. loss- occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Use of judgement and estimate (continued)**

**a) Fulfilment cash flows (continued)**

*Non-life contracts*

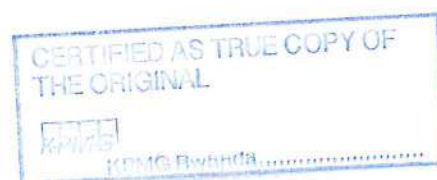
The Company estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Born Huetter- Ferguson methods.

These techniques assume that the Company's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each geographic area and line of business, except for large claims, which are assessed separately from other claims. The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claim's development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

**Claims Development**

The table below illustrates how estimates of cumulative claims for the company's non-life segment have developed over time on a gross basis. The table shows how the Company's estimates of total claims for each underwriting year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position:

For 2025	Amount in Frw'000'							
Loss year	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Total
At end of underwriting year	371,750	427,563	537,911	485,975	508,607	521,917	916,633	
One year later	238,002	574,722	851,648	1,028,869	870,768	781,197	-	
Two year later	161,947	280,625	173,531	295,709	279,560	-	-	
Three year later	48,956	66,856	25,483	222,043	-	-	-	
Four year later	5,237	27,747	398	-	-	-	-	
Five year Later	5,955	(1,928)	-	-	-	-	-	
Six years Later	660	-	-	-	-	-	-	
Cumulative claims	660	(1,928)	398	222,043	279,560	781,197	916,633	
Cumulative payment	(10,383)	(84)	(5,743)	(51,140)	(202,001)	(531,033)	(418,401)	
Outstanding	(9,723)	(2,012)	(5,345)	170,903	77,559	250,164	498,232	979,778
IBNR & ULEA	-	-	-	-	-	-	-	631,077
Risk adjustment	-	-	-	-	-	-	-	233,861
Effect of Discounting	-	-	-	-	-	-	-	(168,177)
<b>Gross liability for claims incurred, included in financial statement</b>	-	-	-	-	-	-	-	<b>1,676,539</b>



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Use of judgement and estimate (continued)**

**Claims Development (continued)**

2024	Amount in Frw'000'							Total
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	
At end of underwriting year	49,593	371,750	427,563	537,911	485,975	508,607	521,917	
One year later	169,894	238,002	574,722	851,648	1,028,869	870,768	-	
Two year later	82,012	161,947	280,625	173,531	295,709	-	-	
Three year later	68,506	48,956	66,856	25,483	-	-	-	
Four year later	270,896	5,237	27,747	-	-	-	-	
Five year Later	2,926	5,955	-	-	-	-	-	
Six years Later	3,230	-	-	-	-	-	-	
Cumulative claims	3,230	5,955	27,747	25,483	295,709	870,768	521,917	
Cumulative payment	(3,230)	(4,625)	(16,241)	(24,939)	(135,078)	(582,152)	(202,014)	
Outstanding	-	1,330	11,506	544	160,631	288,616	319,903	782,530
IBNR & ULEA	-	-	-	-	-	-	-	447,580
Risk adjustment	-	-	-	-	-	-	-	371,455
Effect of Discounting	-	-	-	-	-	-	-	(127,407)
<b>Gross liability for incurred claims included in financial statement</b>	-	-	-	-	-	-	-	<b>1,474,158</b>

**b) Discount rates**

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Company generally determines the risk-free rates using government bond yields. The Company does not present insurance finance income/expense in OCI; all effects are in profit or loss.

The table below sets out the yield curve used to discount the cash flow of insurance contracts:

Yield curve	2025					2024				
	1 Year	5 Years	10 Years	15 Years	20 Years	1 year	5 Years	10 Years	15 Years	20 Years
	8.476	10.8	12.15	12.90	13.15	8.30	11.85	12.97	13.14	13.27



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Use of judgement and estimate (continued)**

**c) Risk adjustment for non- financial risk**

Risk adjustments for non-financial risk are determined to reflect the compensation that the issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustments for non-financial risk are determined using a confidence level technique. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Company applies this technique both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results. Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

In the process of applying the company's accounting policies, Management has used its judgement and made estimates in determining the amounts recognised in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgements and estimates are as follows:

**Going concern**

The company's management has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**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 ultimate liability arising from claims made under insurance contracts.**

The estimation of the ultimate liability arising from claims made under insurance contracts is the company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the company will ultimately pay for such claims. For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). IBNR is determined using actuarial methodology of reserving.

**5. Changes in material accounting policies**

**i) New standards, amendments, and interpretations effectively and adopted during the year ended 31 December 2025**

The following new or revised standards, amendments and interpretations are effective for the year ended 31 December 2025 and have been applied in preparing these financial statements where applicable

Description	Effective date
<b>New and amended standards and interpretations January to December 2025</b>	
Lack of Exchangeability Amendments to IAS 21	1 January 2025

The above standards and interpretations did not have a significant impact on the Company's financial statements.

**Lack of Exchangeability-Amendments to IAS 21**

The Board amended IAS 21 to clarify:

- When a currency is exchangeable into another currency; and
- How a company estimates a spot rate when a currency lacks exchangeability

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use:

- An observable exchange rate without adjustment; or
- Another estimation technique.

A company can use an observable rate if that rate meets the estimation objective – i.e. the rate reflects that at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. When making this assessment, a company needs to consider:

- Whether several observable exchange rates exist.
- The purpose for which the currency is exchangeable.
- The nature of the exchange rate; and
- The frequency with which exchange rates are updated.

When estimating a spot rate, a company may use any observable exchange rate and adjust it as necessary. This includes using rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations. However, the technique used needs to meet the estimation objective. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- The nature and financial impacts of the currency not being exchangeable.
- The spot exchange rate used.
- The estimation process; and
- Risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The amendments are not expected to have a material impact on the Company as the Company currently does not have transactions in currencies where there is lack of exchangeability.

**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Changes in material accounting policies**

**ii) New standards, amendments, and interpretations in issue but not yet effective for the year ended 31 December 2025.**

The following new International Financial Reporting Standards together with their Interpretations had been published at the date of preparation of the accompanying Financial Statements but are not mandatory as of December 31, 2025. Although in some cases the International Accounting Standards Board ("IASB") allows early adoption before their effective date, the Company has not proceeded with this option for any such new standards.

<b>Description</b>	<b>Effective date</b>
<b>New and amended standards and interpretations issued but not yet effective</b>	
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – amendments to; <ul style="list-style-type: none"> <li>▪ IFRS 1 First-time Adoption of International Financial Reporting Standards.</li> <li>▪ IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7.</li> <li>▪ IFRS 9 Financial Instruments.</li> <li>▪ IFRS 10 Consolidated Financial Statements; and</li> <li>▪ IAS 7 Statement of Cash flows.</li> </ul>	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency Amendments to IAS 21	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28	To be determined

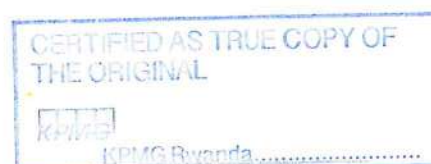
**Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7**

The Board has amended IFRS 9 Financial Instruments following its post-implementation review of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features.

The Board has also amended IFRS 7 Financial Instruments: Disclosures. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features.

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with Environmental, Social and Governance linked features represented solely payments of principal and interest, which is a condition for measurement at amortised cost. This could have resulted in financial assets with Environmental, Social and Governance linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just Environmental, Social and Governance linked features. While the amendments may allow certain financial assets with contingent features to meet the solely payments of principal and interest criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 Changes in material accounting policies (continued)**

**(ii) New and amended standards issued but not yet effective (continued)**

The amendments introduce an additional solely payments of principal and interest test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an Environmental, Social and Governance target specified in the loan contract.

Under the amendments, certain financial assets including those with Environmental, Social and Governance linked features could now meet the solely payments of principal and interest criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments clarify the key characteristics of contractually linked instruments and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income.

The amendments address the recognition and derecognition of financial assets and financial liabilities, including an exception relating to the derecognition of financial liabilities that are settled using an electronic payment system.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted separately from the amendments for the recognition and derecognition of financial assets and financial liabilities. The amendments will not have a material impact on the Company as the Company currently does not have supplier financing arrangements.

**Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7**

The International Accounting Standards Board (IASB) issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The IASB acted swiftly in the light of the increased use of these contracts.

Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance.

To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include:

- clarifying the application of the 'own-use' requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 Changes in material accounting policies (continued)**

**(iii) New and amended standards issued but not yet effective (continued)**

These amendments are required to be applied for annual reporting periods beginning on or after 1 January 2026. Companies can apply the amendments earlier.

The amendments will not have a material impact on the Company as the Company currently does not have power purchase agreements.

**Annual Improvements to IFRS Accounting Standards**

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In this volume of improvements, The Board made minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendment on trade receivables may require some companies to change their accounting policy. The Board's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.

Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The Board has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.

If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The Board's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. However, the amendment does not address how to distinguish between derecognition and modification of a lease liability. The IASB has indicated that it may consider this issue as part of a future project.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendment will not have a significant impact on the financial statements of the Company.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 Changes in material accounting policies (continued)**

**(iv) New and amended standards issued but not yet effective (continued)**

**Presentation and Disclosure in Financial Statements – IFRS 18**

IFRS 18 promotes a more structured income statement, as set out below. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on a company's main business activities.

All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

For each management performance measures presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under IFRS Accounting Standards. Such disclosure will enhance transparency and will afford users better information on companies' financial performance.

To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

The implementation of the new standard is expected to have a significant impact on the preparation and disclosure of financial statements. The standard will be implemented when it becomes effective.

**IFRS 19 Subsidiaries without Public Accountability**

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. The Board intends to update IFRS 19 on an ongoing basis as new or amended disclosure requirements in IFRS Accounting Standards are issued.

Eligible subsidiaries can choose to apply the standard for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The amendments are not expected to have a material impact on the Company because the entity does not have subsidiaries.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. Material accounting policies**

**(a) Insurance and reinsurance contracts**

The company issues short term non-life insurance contracts that are measured in accordance with IFRS 17 Insurance Contracts. Products sold by the Company are classified as insurance contracts when 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.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

**i) Classification of Insurance and reinsurance contract**

The contract under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

Insurance contracts may be issued, and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated.

All insurance contracts and all reinsurance contracts are classified as contracts without direct participation features and are measured under the PAA except for engineering class of business to which the company adopted PAA following the nature of the product and result from the PAA eligibility test.

**ii) Separating components from insurance and reinsurance contract**

At inception, the company assesses its product for separation and or combination of insurance contract, based on detailed product assessment, there is no legal contracts that would require the separation in smaller accounting contract or to be combined with other legal contracts.

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 have to be separated and accounted for under another standard. Based on this assessment, no distinct investment components or embedded derivatives have been identified.

**iii) Aggregation and recognition of insurance and reinsurance contracts**

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. Material accounting policies (continued)**

**iii) Aggregation and recognition of insurance and reinsurance contracts (continued)**

**(a) Insurance and reinsurance contracts (continued)**

- any contracts that are onerous on initial recognition.
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

An insurance contract issued by the company is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract).
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

The contract under which, the company accepts significant insurance risks are classified as insurance contracts.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

**Reinsurance contracts**

Contract held by the company under which it transfers significant insurance risk relating to underlying insurance contract are classified as reinsurance contracts.

Groups of reinsurance contracts are established such that each group comprises a single contract.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Group concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying group.

A group of reinsurance contracts is recognised on the following date.

- Reinsurance contracts initiated by the company that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Company's quota share reinsurance contracts.
- Other reinsurance contracts initiated by the company: The beginning of the coverage period of the group of reinsurance contracts. However, if the company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. This applies to the company's excess of loss reinsurance contracts.
- Reinsurance contracts acquired: The date of acquisition.

However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**iv) Insurance acquisition cash flows**

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort. If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group and to the groups that will include renewals of those contracts.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated.

The asset is derecognized, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts. At each reporting date, the company revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amount allocated to a group are not revised once all contracts have been added to the group.

The company does not ordinarily incur pre-coverage cost expenses that are capitalized. The insurance acquisition cash flows recognised by the company relate to commissions to intermediaries and are allocated over the policy period and accounted through Liability for remaining coverage.

**v) Contract boundaries**

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

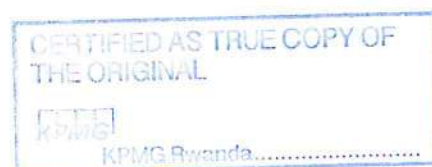
**Insurance contracts**

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services

A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from the policyholders to the company which may include both insurance and financial risks, but exclude lapse and expenses risk.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**(v) Contract boundaries**

**Reinsurance contracts**

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.
- Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies. When comparing the different possible measurements, the Company considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the company's substantive rights and obligations and, therefore, may change over time.

**vi) Measurement – Contracts measured under the PAA**

The company uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

- Insurance contracts: The coverage period of each contract in the group is one year or less.
- Loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.

**Insurance contracts**

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. The Company has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the company expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Company has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The Company recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**(vi) Measurement contracts measured under PAA**

**Reinsurance contracts**

The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

**vii) Derecognition and contract modification**

The Company derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

**viii) Presentation**

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of profit or loss and OCI into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

**Insurance revenue**

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period on the bases of passage of time.

**Insurance service expenses**

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses.
- Amortisation of insurance acquisition cash flows: For contracts measured under the PAA, the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**(vii) Presentation (continued)**

**Net expenses from reinsurance contracts**

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

**Insurance finance income and expenses**

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. The Company presents insurance finance income or expenses in profit or loss.

**ix) Measurement – Contracts not measured under the PAA**

**Insurance contracts – Initial measurement**

On initial recognition, the company measures a group of insurance contracts as the total of

- (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
- (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Company's non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Company will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (iii)) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

For groups of contracts acquired in a transfer of contracts or a business combination, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss, or as an adjustment to goodwill or a gain on a bargain purchase if the contracts are acquired in a business combination. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**(ix) Measurement - Contracts not measured under PAA (continued)**

**Insurance contracts – Subsequent measurement**

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported. The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

<b>Changes relating to future services</b>	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
<b>Changes relating to current or past services</b>	Recognised in the insurance service result in profit or loss
<b>Effects of the time value of money, financial risk and changes therein on estimated future cash flows</b>	Recognised as insurance finance income or expenses

The CSM of each group of contracts is calculated at each reporting date as follows

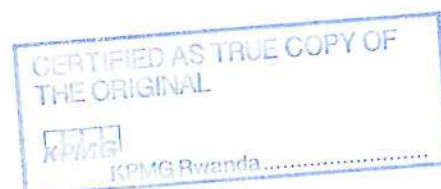
***Insurance contracts without direct participation features***

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year.
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition.
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component; or any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services comprise:

- Experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein.
- Differences between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;
- Differences between any loan to a policyholder expected to become repayable in the year and the actual amount that becomes repayable in the year; and changes in the risk adjustment for non-financial risk that relate to future services.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**(ix) Measurement - Contracts not measured under PAA (continued)**

**Reinsurance contracts**

To measure a group of reinsurance contracts, the company applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the company recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year.
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition.
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts (see below);
- reversals of a loss-recovery component (see 'Net expenses from reinsurance contracts' under to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts.
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component.
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**(ix) Measurement - Contracts not measured under PAA (continued)**

**Insurance revenue – Contracts not measured under the PAA**

The company recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the company expects to receive consideration and comprises the following items.

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts.

In addition, the company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The company recognizes the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

*Release of the CSM*

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognizing in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date. Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders.

**Insurance service expenses**

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses:
- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(a) Insurance and reinsurance contracts (continued)**

**(ix) Measurement - Contracts not measured under PAA (continued)**

**Net expenses from reinsurance contracts**

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the company expects to pay consideration.

**(b) Intangible assets**

Intangible assets relate to computer software. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

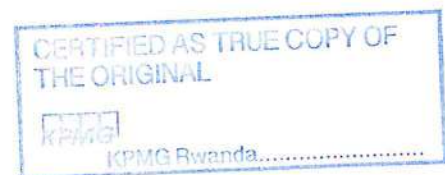
These costs are amortised over their estimated useful lives which does not exceed 10 years on a straight-line basis.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives.

Gains or 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 and other comprehensive income when the asset is derecognised.

Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is amortised on a straight-line basis over the useful life of the acquired policies. Amortisation is recorded in the statement of profit or loss. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method and they are treated as a change in an accounting estimate. The recoverability of PVIF is considered as part of the liability adequacy test performed at each reporting period. PVIF is derecognised when the related contracts are settled or disposed of.

The economic lives of these assets are determined by consideration of relevant factors such as usage of the asset, typical product life cycles, maintenance costs, the stability of the industry, competitive position, and period of control over the assets. These assets are amortised over their useful lives, using the straight-line method and recognised in the statement of profit or loss.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(c) Motor Vehicle and Equipment**

Equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalised when incurred, if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Depreciation is provided on a straight-line basis over the estimated useful lives of the following classes of assets.

Motor vehicles	4 years
Computers	2 years
Office equipment	4 years
Partitioning	4 years
Furniture & Fittings	4 years

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively.

An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 in the year the asset is derecognised.

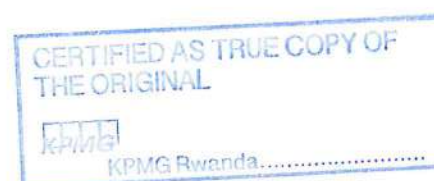
**(d) Investment joint Venture**

A joint venture is an arrangement in which the Company has joint control and rights to the net assets of the entity. The investment is initially recognized at cost, including directly attributable transaction costs, and is subsequently measured using the equity method. Under this method, the carrying amount is adjusted for the Company's share of the joint venture's profit or loss, other comprehensive income, and dividends received. The Company's share of losses is recognized only to the extent of its interest, unless legal or constructive obligations exist to support the joint venture. At each reporting date, the Company assesses the investment for indicators of impairment in accordance with IAS 36. Unrealized gains and losses from transactions with the joint venture are eliminated to the extent of the Company's interest. The investment and the Company's share of the joint venture's results are presented as single line items in the Statement of Financial Position and the Statement of Profit or Loss, respectively, in accordance with IAS 28.

**(e) Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Insurer's cash management.

Cash and cash equivalents comprise cash at bank and in hand.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(f) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially recognised on the trade date measured at their fair value. Except for financial assets and financial liabilities recorded at FVPL, transaction costs are added to this amount.

*Debt instruments measured at amortised cost.*

Debt instruments are held at amortised cost if both of the following conditions are met:

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows.
- The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

*Business model assessment*

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

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

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

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

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

*The SPPI test*

As a second step of its classification process the Company assesses the contractual terms to identify whether they meet the SPPI test.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(f) Financial Instruments (continued)**

**Financial assets (continued)**

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include amortised cost.

**Subsequent measurement**

*Debt instruments at amortised cost*

After initial measurement, debt instruments are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. ECLs are recognised in the statement of profit or loss when the investments are impaired.

For receivable arising from direct insurance contracts and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Derecognition**

*Derecognition other than for substantial modification*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its 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: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all of the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises 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.

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 the Company could be required to pay.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(f) Financial Instruments (continued)**

**Financial assets (continued)**

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss. In the case of debt instruments at amortised cost, the newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise an instrument, amongst others, the Company considers the following factors:

- Change in currency of the debt instrument.
- Introduction of an equity feature
- Change in counterparty.
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss.

For investment in financial institutions and treasury bonds and treasury bills the Company estimates ECL by reference to credit rating of the counterparty and if the counterparty is not listed, by reference to the country risk rating. The Company uses Fitch Affirms for country risk ratings and Standard and Poor's (S&P) credit rating agency for determine estimate whether credit risk for instruments has significantly increased.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and balances due to related parties.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories: Financial liabilities at fair value through profit or loss and financial liabilities at amortised cost (loans and borrowings).

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The company does not hold financial liability under this category in the current year.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(f) Financial Instruments (continued)**

**Financial liabilities (continued)**

**Financial liabilities at amortised cost (loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

**Offsetting**

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or realises the asset and settle the liability simultaneously.

**(g) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Insurer operates and generates taxable income. Current income tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

The income tax charge is analysed between tax in respect of policyholders' returns and the balance which represents the tax on equity holders' returns. The income tax charge in respect of policyholders' returns reflects the movement in current and deferred income tax recognised in respect of those items of income, gains and expenses, which are for the benefit of policyholders.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(g) Taxes (continued)**

**Deferred tax (continued)**

**Deferred tax**

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change.

The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss. Sales taxes and premium taxes. Revenues, expenses and assets are recognized net of the amount of sales taxes and premium taxes except:

- Where the sales or premium tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case, the sales and premium tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales or premium tax included Outstanding net amounts of sales or premium tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(h) Leases**

**Company as a lessee**

Upon adoption of IFRS 16, the company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use asset.

The company's leasing activities and how these are accounted for.

The company leases office space in various parts of Kigali. Rental contracts are typically made for fixed periods of 1 to 4 years with the option for extension or termination. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. The right-of-use asset are measured at measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

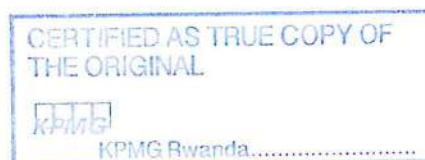
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic company environment with similar terms, security and conditions.

In the absence of the Company's previous borrowing experience, the National Bank of Rwanda's lending rate has been applied in the discounting of future cashflows.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs and
- restoration costs



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**7. Material accounting policies (continued)**

**(h) Leases (continued)**

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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

Critical judgements in determining the lease term.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management have assumed renewal options and assumed an extension period with the same terms of 5 years for each of the in-force lease agreements.

For the leases of office space, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- Management is of the view that probability of incurring termination penalties is very low due to the fact that the National Bank of Rwanda requires notice of not less than 3 months and that also customers need to be informed of any change in address with a reasonable time. Based on the notice required, notice required by the lessor would be reasonably served.

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

**Company as a lessor**

Leases in which the company does not transfer substantially all of the risks and rewards of ownership of an asset are classified as operating leases. Rental income is recognised as revenue in the statement of profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned

**(i) Foreign currency translation**

The Insurer's financial statements are presented in Rwf. Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rate prevailing at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Material accounting policies (continued)**

**(j) Provisions**

General

Provisions are recognised when the Insurer has a present obligation (legal or constructive) as a result of a past event, and 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 amount of the obligation. Where the Insurer expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

The estimation of future contractual cash flows in relation to reported losses is the non-life insurance business' most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the company will ultimately pay for such claims. Case estimates are computed on the basis of the best information available at the time the records for the year are closed.

**8. Insurance revenue**

	<b>2025</b>	<b>2024</b>
	<b>Frw '000</b>	<b>Frw '000</b>
Contracts measured under the PAA	7,527,790	6,429,426
<b>Contracts not measured under the PAA - Engineering</b>		
Amounts relating to changes in liabilities for remaining coverage		
CSM recognised for services provided	1,560,157	142,417
Change in risk adjustment for non- financial risk for risk expired	27,309	121,690
Expected claims incurred and other insurance service expenses	323,675	427,850
	<u>1,911,141</u>	<u>691,957</u>
<b>Total insurance revenue (see note 21 (a))</b>	<b><u>9,438,931</u></b>	<b><u>7,121,383</u></b>

The insurance revenue distributed as per the class of insurance is as follows;

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Aviation	2,048	519
Engineering	2,331,878	691,957
Fire	2,667,859	2,100,673
Liability	606,126	421,279
Marine	563,412	429,851
Motor	1,596,459	1,489,441
Personal Accident	182,184	139,992
Theft	610,141	524,921
Workmen's Compensation	20,249	23,378
Miscellaneous	359,493	771,994
Agribusiness	499,082	527,378
<b>Total Insurance revenue</b>	<b><u>9,438,931</u></b>	<b><u>7,121,383</u></b>

All the Insurance policies from which the Insurance revenue is generated are issued within Rwanda.

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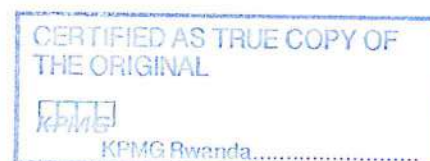
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. Net financial result**

Below is an analysis of the company's net financial result in profit or loss and OCI

	<b>2025</b>	<b>2024</b>
	<b>Frw '000</b>	<b>Frw '000</b>
<b>Investment return</b>		
Interest revenue calculated using the effective interest method	751,924	715,494
Other investment revenue	-	42,942
Net impairment loss on financial assets (see note 15)	(5,644)	(1,262)
<b>Total investment return</b>	<b>746,280</b>	<b>757,174</b>
<b>Net finance expenses from insurance contracts</b>		
Interest accreted	(56,955)	(119,850)
Effect of changes in interest rates and other financial assumptions	33,987	(31,520)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(423,066)	(46,105)
<b>Total net finance expense from insurance contracts</b>	<b>(446,034)</b>	<b>(197,475)</b>
<b>Net finance income from reinsurance contracts</b>		
Interest accreted	16,988	86,637
Effect of changes in interest rates and other financial assumptions	14,629	19,816
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	468,719	72,546
<b>Total net finance (expenses)/income from reinsurance contracts</b>	<b>500,336</b>	<b>178,999</b>
<b>A. Insurance finance income and expenses</b>		
Net finance expenses from insurance contracts		
Recognised in profit or loss	(446,034)	(197,475)
Recognised in OCI	-	-
	<b>(446,034)</b>	<b>(197,475)</b>
<b>Net finance income from reinsurance contracts</b>		
Recognised in profit or loss	500,336	178,999
Recognised in OCI	-	-
	<b>500,336</b>	<b>178,999</b>
<b>B. Interest revenue calculated using the effective interest method</b>		
Deposits with financial institutions	537,174	498,435
Government bonds	214,750	217,059
	<b>751,924</b>	<b>715,494</b>
<b>C. Other investment revenue</b>		
Lease income from investment property*	-	41,142
Gain from fair value remeasurement of investment property	-	1,800
<b>Total investment revenue</b>	<b>-</b>	<b>42,942</b>

\* In 2025, the lease income ceased following the conversion of this investment into initial capital in the Mayfair Rwanda Building Special Purpose Vehicle (SPV).



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. Other income**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Insurance policy fees	41,841	36,871
Sundry income (non-insurance certificate fees)	17,679	17,876
(Loss)/gain on disposal of property and equipment	(428)	2,156
Exchange gain on cash and cash equivalent	7,907	22,514
<b>Total income</b>	<b><u>66,999</u></b>	<b><u>79,417</u></b>

**11. Expenses**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Claims and benefits	1,452,565	893,181
Fees and commissions	798,418	583,102
Change in fulfillment cashflow	-	2,108,835
Employee benefits (Note 11A)	1,471,070	1,134,553
Depreciation and amortization	121,740	123,817
Leases	102,961	136,202
Advertising	73,169	51,516
Professional and consultancy	67,714	109,146
Audit fees*	35,670	32,783
Other**	694,005	684,070
<b>Total expenses</b>	<b><u>4,817,312</u></b>	<b><u>5,857,205</u></b>

\*This relates to the financial statement audit fees for the current year.

\*\*Other relates to the general expenses for running the office including consumables, printing and stationery, insurance expenses, telephone.

**Represented by:**

Insurance service expenses	2,250,983	3,585,119
Other operating expenses	2,566,329	2,272,086
	<b><u>4,817,312</u></b>	<b><u>5,857,205</u></b>

**Employee benefit expenses**

Wages and salaries	1,352,250	1,088,561
Contributions to Rwanda Social Security Board	118,820	45,992
	<b><u>1,471,070</u></b>	<b><u>1,134,553</u></b>

**12. Other finance costs**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Interest expenses on lease liabilities (Note 22 (b))	31,980	41,986

**13. Income taxes and deferred taxes**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
<b>a) Current tax expense</b>		
Current tax	206,657	234,074
Deferred tax (credit)/charge	(22,185)	3,678
<b>Total income tax expense</b>	<b><u>184,472</u></b>	<b><u>237,752</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Income taxes and deferred taxes (continued)**

	2025 Frw'000	Effective Tax rate	2024 Frw'000	Effective Tax rate
<b>b) Reconciliation of effective tax rate</b>				
Profit before tax	770,832		879,902	
Tax calculated at the statutory income tax rate of 28% (2024 - 28%)	215,833	28.0%	246,373	28.0%
Tax effect of:				
Tax effect of permanent differences	(9,176)	(1.2%)	(12,299)	(1.4%)
Recognition of deferred tax assets derecognized in prior year**	(22,185)	(2.9%)	3,678	0.4%
<b>Total income tax expense</b>	<b>184,472</b>	<b>23.9%</b>	<b>237,752</b>	<b>27.0%</b>

The amounts reported as recognition of deferred tax assets derecognised in prior year relate to the overall net movement between the deferred tax balances from the prior year to the current year. (Refer to Note 13(d)).

<b>13 (c) Tax payable</b>	2025 Frw '000	2024 Frw'000
At 1 January	92,633	(17,357)
Charge for the year	206,657	234,074
Paid during the year	(170,354)	(95,747)
Withholding tax utilized	(78,265)	(28,337)
At 31 December	<b>50,671</b>	<b>92,633</b>

**13 (d) Deferred tax asset**

Deferred Income tax is calculated using the enacted income tax rate of 28% (2024:28%). The movement on the deferred income tax is as follows:

	2025 Frw'000	2024 Frw'000
Property and equipment and right of use assets (RoU)	22,055	6,432
Provisions	34,649	28,087
	<b>56,704</b>	<b>34,519</b>

Deferred income tax assets and liabilities and deferred income tax charge in the income statement is attributable to the following items:

	January 2025 Frw'000	Credit to P&L Frw'000	Dec-25 Frw'000
Year ended December 2025			
Property and equipment and RoU	6,432	15,623	22,055
Provisions	28,087	6,562	34,649
<b>Net deferred tax assets</b>	<b>34,519</b>	<b>22,185</b>	<b>56,704</b>
Year ended December 2024			
Property and equipment and RoU	15,053	(8,621)	6,432
Provisions	23,144	4,943	28,087
<b>Net deferred tax assets</b>	<b>38,197</b>	<b>(3,678)</b>	<b>34,519</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>Frw '000</b>	<b>Frw '000</b>
Cash and balances with banks	316,636	193,434
cash at hand	108	373
	<u><b>316,744</b></u>	<u><b>193,807</b></u>

**15. Financial assets at amortized cost**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Deposits with financial institutions	4,883,561	5,269,740
Government bonds	2,358,546	1,700,963
	<u><b>7,242,107</b></u>	<u><b>6,970,703</b></u>

Deposits placed with financial institutions are classified as current assets and are interest bearing. The effective interest rate for the year 2025 is 10.7% (2024:10%).

**A. Deposits Placed with financial institutions.**

Deposit placed with financial institutions are classified as current assets and are interest bearing. The deposit movement over the year is as follows:

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
At 1 January	5,283,145	4,986,670
Purchased/Reinvested	16,518,737	11,067,313
Maturities	(17,057,276)	(10,980,392)
Interest earned	527,347	502,327
Interest received	(370,554)	(292,773)
	<u><b>4,901,399</b></u>	<u><b>5,283,145</b></u>
Expected credit loss	(17,838)	(13,405)
<b>At 31 December</b>	<u><b>4,883,561</b></u>	<u><b>5,269,740</b></u>
<b>Movement in expected credit losses</b>		
At 1 January	13,405	12,373
Increase/(Decrease)	4,433	1,032
<b>At 31 December</b>	<u><b>17,838</b></u>	<u><b>13,405</b></u>

**B. Government bonds**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
At 1 January	1,708,599	1,661,243
Additional placement	641,440	190,000
Maturities	-	(150,000)
Interest earned	218,960	217,058
Interest received	(202,884)	(206,234)
Amortization of government bonds at premium	1,278	(3,468)
	<u><b>2,367,393</b></u>	<u><b>1,708,599</b></u>
Impairment allowance as per IFRS 9	(8,847)	(7,636)
<b>At 31 December</b>	<u><b>2,358,546</b></u>	<u><b>1,700,963</b></u>

The loss allowance is measured at an amount equal to 12 Month expected credit loss

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**15. Financial assets at amortized cost (continued)**

**Movement in expected credit losses**

At 1 January	7,636	7,406
Increase/(Decrease)	1,211	230
<b>At 31 December</b>	<b>8,847</b>	<b>7,636</b>

**16. Other assets**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Cash paid as guarantee	12,883	28,574
Other recoverable*	219,201	1,004,480
Prepayment	54,569	50,986
	<b>286,653</b>	<b>1,084,040</b>

\*Other recoverable relate to the VAT on the outstanding premiums yet to be received from the policy holders.

**17. a) Investment property**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Balance at 1 January	688,100	686,300
Reclassification to investment in joint venture	(688,100)	-
Gain from fair value movement	-	1,800
	<b>-</b>	<b>688,100</b>

<b>Fair value measurement</b>	<b>Date of valuation</b>	<b>Fair value measurement hierarchy level 3</b>
		<b>Frw'000</b>
<b>Investment property</b>	<b>27 December 2024</b>	<b>688,100</b>

The property was valued in 2024, and the fair value of the property stands at Frw 688,100,000 with a gain from fair value remeasurement of Frw 1,800,000. At the point of disposal, the fair value was taken as an approximation of the fair value as at 31 December 2024 as the period was below 12 months and no significant changes had happened in the property.

**b) Investment in Joint venture**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Initial investment	688,100	-
	<b>688,100</b>	<b>-</b>

During the year, the Company contributed it's investment property measured under fair value model to a jointly owned entity (Mayfair Rwanda Building Special Purpose Vehicle (SPV) Ltd) as part of the establishing a joint venture arrangement. On the date of contribution, the property was derecognised at it's fair value and the company recognised an investment in joint venture at the same amount. The investment is subsequently accounted for using the equity method of accounting. The Company owns 50% of the voting rights and participates in the joint control of relevant activities through a contractual agreement with the other venturer.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

18. Property and equipment		Motor Vehicle	Office Equipment	Computer Equipment	Partitioning	Furniture & Fittings	Total
2025	Cost	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
As at 1 January 2025	46,216	57,740	55,133	118,146	54,361	331,596	
Additions	-	-	10,233	-	1,220	11,453	
Disposal/write off/fully depreciated	-	(9,711)	-	-	-	(9,711)	
<b>As at 31 December 2025</b>	<b>46,216</b>	<b>48,029</b>	<b>65,366</b>	<b>118,146</b>	<b>55,581</b>	<b>333,338</b>	
<b>Accumulated Depreciation</b>							
As at 1 January 2025	25,662	23,506	32,912	37,567	17,541	137,188	
Charge for the year	13,354	10,878	27,498	29,537	13,338	94,605	
Disposal/written off	-	(7,285)	-	-	-	(7,285)	
<b>As at 31 December 2025</b>	<b>39,016</b>	<b>27,099</b>	<b>60,410</b>	<b>67,104</b>	<b>30,879</b>	<b>224,508</b>	
<b>Carrying Amount</b>	<b>7,200</b>	<b>20,930</b>	<b>4,956</b>	<b>51,042</b>	<b>24,702</b>	<b>108,830</b>	
2024		Motor Vehicle	Office Equipment	Computer Equipment	Partitioning	Furniture & Fittings	Total
2024	Cost	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
As at 1 January 2024	46,216	18,241	20,119	16,061	9,168	109,805	
Additions	-	41,856	44,763	102,085	46,504	235,208	
Disposal/write off/fully depreciated	-	(2,357)	(9,749)	-	(1,311)	(13,417)	
<b>As at 31 December 2024</b>	<b>46,216</b>	<b>57,740</b>	<b>55,133</b>	<b>118,146</b>	<b>54,361</b>	<b>331,596</b>	
<b>Accumulated Depreciation</b>							
As at 1 January 2024	14,108	11,254	15,094	8,030	5,035	53,521	
Charge for the year	11,554	14,435	27,566	29,537	13,590	96,682	
Disposal/written off	-	(2,183)	(9,748)	-	(1,084)	(13,015)	
<b>As at 31 December 2024</b>	<b>25,662</b>	<b>23,506</b>	<b>32,912</b>	<b>37,567</b>	<b>17,541</b>	<b>137,188</b>	
<b>Carrying Amount</b>	<b>20,554</b>	<b>34,234</b>	<b>22,221</b>	<b>80,579</b>	<b>36,820</b>	<b>194,408</b>	

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**19. Intangible assets**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
<b>Cost:</b>		
At start of year	244,213	244,213
Additions	-	-
Cost at end of year	<u>244,213</u>	<u>244,213</u>
<b>Accumulated amortization:</b>		
At start of year	81,404	54,270
Amortization charge	27,135	27,134
At end of year	<u>108,539</u>	<u>81,404</u>
Carrying amount at end of year	<u>135,674</u>	<u>162,809</u>

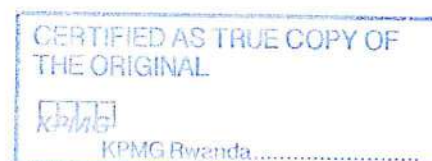
**20. Payables**

	<b>2025</b>	<b>2024</b>
	<b>Frw '000</b>	<b>Frw'000</b>
Trade payables	5,583	58,341
WHT payable	9,258	5,867
Accrued expenses	92,091	65,121
Other payables	502,433	1,435,817
Commission and other payable to broker	641,435	505,148
Due to Mayfair Kenya	2,509	27,917
	<u>1,253,309</u>	<u>2,098,211</u>

The decrease noted under the other payables between the current and prior period relates to an payment of the VAT component that was outstanding in the previous period.

**21. Insurance and reinsurance contracts**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
<b>Insurance contracts</b>		
Insurance contract liabilities		
Insurance contract balances	7,620,397	3,252,535
<b>Reinsurance contracts</b>		
Reinsurance contract assets	5,997,828	6,344,625
Reinsurance contract liabilities	641,487	5,553,783



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21. Insurance and reinsurance contracts (continued)**  
**A. Movement in insurance and reinsurance contract balances**

**Analysis by remaining coverage and incurred claims**

2025

		Liabilities for incurred claims.			
	Liabilities remaining coverage	Estimates of present value of future cash Flows	Risk adjustment for non- financial risk	Total	
	Frw'000	Frw'000	Frw'000	Frw'000	
8	1,778,376	1,102,703	371,456	3,252,535	
8	(9,438,931)	-	-	(9,438,931)	
11	798,419	1,600,138	-	1,600,138	
11	798,419	-	-	798,419	
11	(8,640,512)	-	(147,574)	(147,574)	
11	798,419	1,600,138	(147,574)	2,250,983	
11	(8,640,512)	1,600,138	(147,574)	(7,187,948)	
9	486,804	(50,750)	9,980	446,034	
9	486,804	(50,750)	9,980	446,034	
<b>Total changes in the statement of profit or loss and OCI</b>					
<b>Cash flows</b>					
	13,265,700	-	-	13,265,700	
	-	(1,209,413)	-	(1,209,413)	
	(946,511)	-	-	(946,511)	
	5,943,857	1,442,678	233,862	7,620,397	
	5,943,857	1,442,678	233,862	7,620,397	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Insurance and reinsurance contracts (continued)  
A. Movement in insurance and reinsurance contract balances  
Analysis by remaining coverage and incurred claims

2024	Liabilities for incurred claims.	Liabilities for remaining coverage	Estimates of present value of future cash Flows	Risk adjustment for non-financial risk	Total
		Frw'000	Frw'000	Frw'000	Frw'000
Opening liabilities		2,750,959	1,139,073	400,142	4,290,174
Changes in the statement of profit or loss and OCI					
Insurance revenue	8	(7,121,383)	-	-	(7,121,383)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	921,868	-	921,868
Amortisation of insurance acquisition cash flows		583,102	-	-	583,102
Change in fulfilment cashflow		2,108,835	-	-	2,108,835
Adjustments to liabilities for incurred claims		-	-	(28,686)	(28,686)
Insurance Service Expenses	11	2,691,937	921,868	(28,686)	3,585,119
Insurance service result		(4,429,446)	921,868	(28,686)	(3,536,264)
Net finance expenses from insurance contracts	9	187,434	10,041	-	197,475
<b>Total changes in the statement of profit or loss and OCI</b>					
Premiums received		3,864,378	-	-	3,864,378
Claims and other insurance service expenses paid		-	(968,279)	-	(968,279)
Insurance acquisition cash flows		(594,949)	-	-	(594,949)
<b>Closing liabilities</b>		<b>1,778,376</b>	<b>1,102,703</b>	<b>371,456</b>	<b>3,252,535</b>
The table below summarise the insurance service expenses and net finance expenses from insurance contract reconciled to P&L					
		2025	2024		
Insurance Claims Service Expense		Frw'000'	Frw'000'		
Change in fulfillments cashflow		1,600,138	921,868		
Insurance Movement in Risk Adjustment (RA)		-	2,108,835		
Insurance Amortization of Acquisition Expenses		(147,574)	(28,686)		
<b>Insurance service expenses recognised in P&amp;L</b>		<b>798,419</b>	<b>583,102</b>		
<b>Net finance expenses from Insurance contract Recognised in PL</b>		<b>2,250,983</b>	<b>3,585,119</b>		
Movement in discount of BEL Claims		<b>40,770</b>	<b>10,962</b>		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Insurance and reinsurance contracts (continued)  
A. Movement in insurance and reinsurance contract balances

Reinsurance contracts  
Analysis by remaining coverage and incurred claims

	Note	2025			
		Assets for remaining coverage	Assets for incurred claims		Total
			Frw'000	Estimates of present value of future cash flows	
Net Reinsurance contract assets opening balance		1,107,793	(465,907)	148,956	790,842
Opening assets		5,753,651	442,018	148,956	6,344,625
Opening Liabilities		(4,645,858)	(907,925)	-	(5,553,783)
Changes in the statement of profit or loss and OCI		(4,978,356)	-	-	(4,978,356)
Allocation of reinsurance premiums paid		-	-	-	-
Amounts recoverable from reinsurers		-	351,095	-	351,095
Recoveries of incurred claims and other insurance service expenses		-	-	(59,127)	(59,127)
Adjustments to assets for incurred claims		(4,978,356)	351,095	(59,127)	(4,686,388)
Net expenses from reinsurance contracts		487,634	6,976	5,726	500,336
Net finance income from reinsurance contracts	9	(4,490,722)	358,071	(53,401)	(4,186,052)
Total changes in the statement of profit or loss and OCI		6,408,054	-	-	6,408,053
Cash flows		1,786,976	556,521	-	2,343,497
Premiums paid		4,812,101	448,685	95,555	5,356,341
Amounts received		5,505,948	396,325	95,555	5,997,828
Net reinsurance contract assets closing balance		(693,847)	52,360	-	(641,487)
Closing assets					
Closing Liabilities					



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21. Insurance and reinsurance contracts (continued)**  
**A. Movement in insurance and reinsurance contract balances**

**Reinsurance contracts**  
**Analysis by remaining coverage and incurred claims**

	Note	2024			
		Assets for remaining coverage	Assets for incurred claims	Risk adjustment for non-financial risk	Total
		Frw'000	Estimates of present value of future cash flows	Frw'000	Frw'000
<b>Net Reinsurance contract assets opening balance</b>		628,414	316,203	223,409	1,168,026
<b>Opening assets</b>		<b>1,972,580</b>	<b>578,889</b>	<b>223,409</b>	<b>2,774,878</b>
<b>Opening Liabilities</b>		<b>(1,344,166)</b>	<b>(262,686)</b>	-	<b>(1,606,852)</b>
<b>Changes in the statement of profit or loss and OCI</b>		<b>(3,484,257)</b>	-	-	<b>(3,484,257)</b>
Allocation of reinsurance premiums paid					
<b>Amounts recoverable from reinsurers</b>					
Recoveries of incurred claims and other insurance service expenses		-	176,246	-	176,246
Change in fulfilment cashflow		2,222,059	-	-	2,222,059
Adjustments to assets for incurred claims		-	-	(74,453)	(74,453)
<b>Net expenses from reinsurance contracts</b>		<b>(1,262,198)</b>	<b>176,246</b>	<b>(74,453)</b>	<b>(1,160,405)</b>
Net finance income from reinsurance contracts	9	165,905	13,094	-	178,999
<b>Total changes in the statement of profit or loss and OCI</b>		<b>(1,096,293)</b>	<b>189,340</b>	<b>(74,453)</b>	<b>(981,406)</b>
<b>Cash flows</b>					
Premiums paid		1,101,823	-	-	1,101,823
Amounts received		473,849	(971,450)	-	(497,601)
<b>Net reinsurance contract assets closing balance</b>		<b>1,107,793</b>	<b>(465,907)</b>	<b>148,956</b>	<b>790,842</b>
<b>Closing assets</b>		<b>5,753,651</b>	<b>442,018</b>	<b>148,956</b>	<b>6,344,625</b>
<b>Closing Liabilities</b>		<b>(4,645,858)</b>	<b>(907,925)</b>	-	<b>(5,553,783)</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21. Insurance and reinsurance contracts (continued)**

**A. Movement in insurance and reinsurance contract balances**

The table below summarises Net expenses from reinsurance contract and net finance income from insurance contract reconciled to P&L:

	<b>2025</b>	<b>2024</b>
	<b>Frw'000'</b>	<b>Frw'000'</b>
<b>Net expenses from reinsurance contracts</b>		
Reinsurance expenses	4,978,356	3,484,257
Reinsurance claims service expenses	(351,095)	(176,246)
Change in fulfillments cashflow	-	(2,222,059)
Reinsurance Movement in Risk Adjustment (RA)	59,127	74,453
<b>Net Expenses from Reinsurance contract recognised in P&amp;L</b>	<b><u>4,686,388</u></b>	<b><u>1,160,405</u></b>

Net finance income from Reinsurance contract Recognised in PL

Movement in discount of BEL Claims Reinsurance	12,702	18,794
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The table below summarise movement in reinsurance contract liabilities:

	<b>2025</b>	<b>2024</b>
	<b>Frw '000</b>	<b>Frw'000</b>
As at January	5,553,783	1,606,852
Premium ceded	5,988,264	8,868,039
Reinsurance and Profit commission	(1,786,976)	(1,539,588)
Claims recovery	(403,287)	(326,211)
Payment to reinsurer	(8,710,298)	(3,055,309)
As at 31 December	<b><u>641,486</u></b>	<b><u>5,553,783</u></b>

**22. Leases**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
<b>22(a) Right of use asset</b>		
At start of year	214,127	-
Additions	-	308,343
ROU adjustment	(6,225)	-
Depreciation charge	(102,961)	(94,216)
At end of year	<b><u>104,941</u></b>	<b><u>214,127</u></b>

**22(b) Lease liabilities**

At start of year	237,132	-
Additions	-	308,343
Accretion of interest	31,980	41,986
Payment of principal portion of lease liability	(98,394)	(71,211)
Lease liability adjustment	(6,225)	-
Payment of interest portion of lease liability	(31,980)	(41,986)
At end of year	<b><u>132,513</u></b>	<b><u>237,132</u></b>

The following are the amounts recognized in profit and loss

Depreciation expense on Right of use asset	(102,961)	(94,216)
Interest on lease liabilities	(31,980)	(41,986)

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. a) Share capital.**

Details	2025		2024	
	Number of shares	Ordinary share (Frw '000)	Number of shares	Ordinary share (Frw '000)
At 1 January				
Fully paid-up share	301,130	3,011,296	301,130	3,011,296
<b>As at 31 December</b>	<b>301,130</b>	<b>3,011,296</b>	<b>301,130</b>	<b>3,011,296</b>

The total authorised number of ordinary shares is 301,130 (2024:301,130), with a per value of Frw 10,000 per share (2024: Frw 10,000 per share). All issued shares are fully paid. There is one class of ordinary shares.

All issues shares carry equal voting rights. Holders of ordinary shares are entitled to dividend when declared.

**23 b) Retained earnings**

	2025	2024
	Frw '000	Frw '000
At 1 January		
Fully paid-up share	1,641,548	1,006,720
Prior year Adjustment	-	(7,322)
Profit for the year	586,360	642,150
<b>As at 31 December</b>	<b>2,227,908</b>	<b>1,641,548</b>

**24. Contingent liabilities and capital commitments**

There was no commitment and or contingent liabilities at the end of the year 2025. (2024: None)

**25. Related party transactions**

The ultimate controlling party and immediate parent of the Company is Mayfair Insurance Company Ltd, incorporated in Kenya. There are other companies/individuals that are related to Mayfair insurance Company Rwanda limited through common directorships and shareholding.

**List of related parties and their relationship**

Related party	Relationship
Mayfair Insurance Company Limited	Ultimate Parent company
Andrea Ltd	Shareholders
Vinay Hargovind Gorajia	Shareholders
Amb Benjamin Rugangazi	Shareholders
Anjay Vithalbbai Patel	Shareholders
Vishal Rajinderkumar Patel	Shareholders
Byusa Hangu Alphonse	Director
Igoma Jessica	Managing Director
Byamukama Shivon	Director
Rwihandagaza Richard	Director
Alida Providence Nzalela	Director
Senthil Ganesh Shanbagamoorthy	Director



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**25. Related party transactions (continued)**

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
<b>(a) Directors' remuneration</b>		
Directors' fees and allowances	119,722	88,958
<b>(b) Key management remuneration</b>		
Salaries and wages	782,813	743,554
<b>(c) Transactions with related parties</b>		
A number of directors are parties to insurance contract issued by the company. The amounts of these transactions are as below, and all premium was paid at date of reporting:		
Premiums received on short-term insurance policies		
Byamukama Shivon	1,278	1,435
Rwihandagaza Richard	369	550
Byusa Hangu Alphonse	119	189
Igoma Jessica	76	76
Rugangazi Ben	180	699
	<b>2,022</b>	<b>2,949</b>

The terms and conditions applied to these transactions were consistent with those available to other customers.

<b>(d) Due to related parties</b>		
Mayfair Insurance Company (Kenya) Limited	2,509	27,917
These amounts are non-interest bearing and are repayable on demand.		

(e) Capital contributions in the year are disclosed in the statement of changes in Equity.

**26. Risk and Capital Managements**

Insurance and reinsurance contracts expose the Company to underwriting risk, which comprises insurance risk, policyholder behavior risk and expense risk.

In addition, the Company is exposed to financial and operational risks from insurance and reinsurance contracts and financial instruments. Financial risks include credit risk, liquidity risk and market risk. Market risk comprises currency risk, interest rate risk and other price risk.

**A. Risk Management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company risk and compliance committee is responsible for approving and monitoring the Company's risk management policies and reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, set appropriate risk limits and controls, and monitor adherence to risk limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk and Capital Managements (continued)**

**A. Risk Management framework (continued)**

The Company audit and HR committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. It assists in its oversight role by internal audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Company audit and HR committee.

**B. Key risks arising from contracts issued.**

**Non-life contract**

<b>Product</b>	<b>Key risks</b>	<b>Risk mitigation</b>
<b>Property and casualty</b>	<ul style="list-style-type: none"> <li>- Extreme weather events</li> <li>- Natural catastrophes</li> <li>- Legislative changes giving rise to increased claims.</li> </ul>	<ul style="list-style-type: none"> <li>- Diversification of types of risk, industries and geographic locations in which risks are written.</li> <li>- Extensive analysis of data to enhance risk selection, segmentation, and profitability.</li> <li>- Reinsurance with financially strong reinsurers, including excess of loss catastrophe cover</li> </ul>

The key risks arising from non-life contracts are the unknown frequency and severity of claims, which are influenced by the nature of the risks covered and the geographic location in which the risks are written.

For property, the frequency and severity of claims are affected by the occurrence of extreme weather events (e.g. floods, wildfires and hurricanes) and other natural catastrophes (e.g. earthquakes). In particular, the cost of rebuilding or repairing a property, together with the cost of business interruption, is a significant feature in the overall value of claims in this portfolio. In addition, increasing climate risk could potentially introduce material uncertainty in assumptions and result in inaccurate pricing of insurance risk.

For retail casualty, motor insurance contracts are subject to legislative and regulatory changes. For example, where compensation for future loss of earnings or nursing care is settled by paying a single lump sum, the assumed rate of investment return on the lump sum is a key sensitivity and the rate applicable in certain jurisdictions is determined by legislation.

For commercial casualty, the severity of claims is significantly affected by increases in the value of settlements awarded for latent diseases and inflation. The nature and frequency of claims may be affected by emerging trends and changes in legislation. Although this portfolio does not contain a large number of individually significant claims, a high frequency of claims can be a risk, particularly where generic trends impact many individuals – e.g. poor housing design, negligent professional advice and cyber threats.

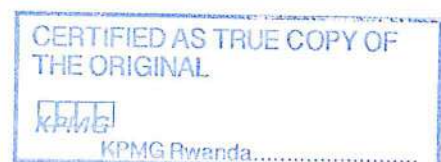
**i. Underwriting risks**

Underwriting risk comprises insurance risk, policyholder behaviour risk and expense risk.

— *Insurance risk*: the risk transferred from the policyholder to the Company, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, amount or timing of claims.

— *Policyholder behaviour risk*: the risk that a policyholder will cancel a contract, increase or reduce premiums.

— *Expense risk*: the risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk and Capital Managements (continued)**

**Management of underwriting risks**

The board of directors sets the Company's strategy for accepting and managing underwriting risk. Specific underwriting objectives – e.g. aggregation limits, reinsurance protection thresholds and line of business diversification parameters – are prepared and reviewed by the Company head of underwriting and reinsurance and General Manager. The board continuously reviews its underwriting strategy in the light of evolving market development, loss conditions.

**Non -Life contract**

A key component of the management of underwriting risk for the Company's non-life products is a disciplined underwriting strategy that is focused on writing quality business. Product pricing is intended to incorporate appropriate premiums for each type of assumed risk. The underwriting strategy includes underwriting limits on the Company's total exposure to specific risks, together with limits on geographic and industry exposures. The aim is to ensure that a diversified book is maintained, with no over-exposure in any one geographic region.

Non-life contracts are renewable annually. The ability to reprice contracts on renewal in response to changes in policyholder risk profiles, claims experience and market considerations is a significant mitigant to pricing risk. Contracts may also contain other features that constrain underwriting risk – e.g. the use of deductibles and capping on the maximum permitted loss or number of claims (subject to local regulatory and legislative requirements).

The Company uses reinsurance to mitigate the risk of incurring significant losses linked to single events, including excess of loss and stop loss reinsurance. Certain non-life businesses are required to protect against catastrophe events in accordance with local regulatory requirements. Where an individual exposure exceeds the Company's risk appetite, additional facultative reinsurance is also purchased.

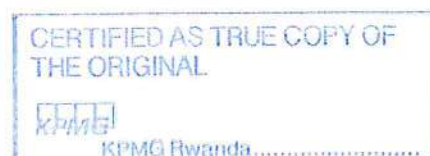
**Concentration of underwriting risks**

The carrying amounts of the Company's non-life insurance contracts (net of reinsurance) are analysed below by type of product.

	<b>2025</b>	<b>2024</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Fire/Property	270,131	234,262
Engineering	260,398	59,666
Public Liability	91,261	257,014
Marine	303,010	240,603
Motor	1,806,816	1,422,762
Agribusiness	23,400	27,776
Bonds	77,433	63,087
Miscellaneous	195,921	125,612
<b>Total</b>	<b><u>3,028,370</u></b>	<b><u>2,430,782</u></b>

**Sensitivities analysis**

The insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following analysis is performed reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact, profit before tax and equity. The correlation of assumptions will have a significant effect on determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that the movements in these assumptions are non-linear.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**i) Underwriting risk (continued)**

**Sensitivities analysis (continued)**

Amount in Frw'000'	31-Dec-25	Profit or Loss		Equity	
		Gross	Net	Gross	Net
Ultimate claims (5% Increase)		72,628	14,598	52,292	10,511
Ultimate claims (5% Decrease)		(72,628)	(14,598)	(52,292)	(10,511)

The above is broken down as below.

	Amount in Frw'000'	Increased or decreased by 5%	Movement
<b>Gross</b>			
Claims incurred	1,452,565	1,525,193	72,628
<b>Net</b>			
Reinsurance recoveries	291,968	306,567	14,598

**ii. Insurance risk**

The Company issues contracts that transfer 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.

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.

Claims are payable on 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 Best estimate of Liability (BEL). For certain contracts, the company has limited the number of claims that can be paid in any policy year or introduced to the maximum amount payable for claims in any policy year.

The company also has the right to re-price the risk at renewal. It also has the ability to impose deductibles and reject fraudulent claims.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Company reinsurance placement policy assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**Reinsurance risk**

In common with other insurance companies, in order to minimize financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under excess of loss reinsurance contracts. To minimise its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristic of the reinsurers.

Claims Product	Claims paid	Outstanding claims	Reinsurer's share in paid and payable claims
	Frw'000'	Frw'000'	Frw'000'
Motor	680,200	809,690	16,405
Fire	227,207	97,103	269,725
Marine	103,875	112,858	152,577
Engineering	64,126	18,664	68,690
Bond	678	-	-
Other	133,327	75,415	95,548
	<b>1,209,413</b>	<b>1,113,730</b>	<b>602,945</b>

The tables below set out the concentration of insurance liabilities by the class of business represented by the maximum insured loss (gross and net of reinsurance) arising from insurance contracts.

Year 2025		Frw 250m-Frw 1000m Frw'000'	Above Frw 1000m Frw'000'	Total Frw'000'
Motor	Gross	-	16,099,060	16,099,060
	Net	-	16,099,060	16,099,060
Fire	Gross	-	1,686,615,826	1,686,615,826
	Net	-	159,302,166	159,302,166
Engineering	Gross	-	363,885,496	363,885,496
	Net	-	80,052,814	80,052,814
Liabilities	Gross	-	41,601,274	41,601,274
	Net	-	17,580,417	17,580,417
Marine	Gross	-	226,515,883	226,515,883
	Net	-	92,198,036	92,198,036
Bonds	Gross	-	23,857,343	23,857,343
	Net	-	5,079,814	5,079,814
Other	Gross	-	72,605,298	72,605,298
	Net	-	20,406,327	20,406,327
<b>Total</b>	<b>Gross</b>	-	<b>2,431,180,180</b>	<b>2,431,180,180</b>
	<b>Net</b>	-	<b>390,718,634</b>	<b>390,718,634</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**Reinsurance risks (Continued)**

Year 2024		Frw 250m-Frw 1000m Frw'000'	Above Frw 1000m Frw'000'	Total Frw'000'
Motor	Gross	-	27,375,852	27,375,852
	Net	-	27,375,852	27,375,852
Fire	Gross	-	2,169,434,155	2,169,434,155
	Net	-	433,691,847	433,691,847
Engineering	Gross	-	453,268,918	453,268,918
	Net	-	17,937,928	17,937,928
Liabilities	Gross	-	58,387,204	58,387,204
	Net	-	23,746,451	23,746,451
Marine	Gross	-	241,865,621	241,865,621
	Net	-	91,706,451	91,706,451
Bonds	Gross	-	26,427,088	26,427,088
	Net	-	6,140,362	6,140,362
Other	Gross	-	187,854,770	187,854,770
	Net	-	100,744,599	100,744,599
<b>Total</b>	<b>Gross</b>	-	<b>3,164,613,608</b>	<b>3,164,613,608</b>
	<b>Net</b>	-	<b>701,343,490</b>	<b>701,343,490</b>

**iii. Financial risk**

The company's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance, but the company does not hedge any risks.

The Company manages financial risks through policies approved by the Board of Directors (BOD) which is mandated to achieve long-term investment returns in excess of the Company's obligations under insurance contracts. The principal technique is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of business, a separate portfolio of assets is maintained

**a) Market risk**

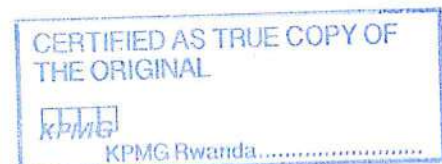
**Foreign exchange risk**

The Company carries out cross-border business transactions, which exposes it to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Company does not deem this exposure as being significant and manages it through holding USD denominated bank accounts and immediate settlement.

As at the year ended 31 December 2025, the company had the following assets denominated in foreign currencies:

Description	31 December 2025	31 December 2024
	USD	USD
Bank balance	67,962	23,773
Creditors balance	7,478	19,984
	<b>75,440</b>	<b>43,757</b>



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**a) Market risk (continued)**

**Foreign exchange risk (continued)**

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities.

It should be noted that movements in these variables are nonlinear. The method used for deriving sensitivity information and significant variables did not change from the previous period.

Currency	Change in variables.	31 December 2025		31 December 2024	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
		Frw'000	Frw'000	Frw'000	Frw'000
USD	+5	5,481	3,946	709	510
	-5	(5,481)	(3,946)	(709)	(510)
				<b>31 December 2025</b>	<b>31 December 2024</b>
Average rate				1,451	1,383
Closing rate				1,458	1,397

**b) Credit risk**

Credit risks is the risk of financial loss to the company if a counterparty to a reinsurance contract or financial instrument fail to meet its obligations and arising from the company reinsurance contract assets and investments fixed deposits and government bonds.

Other areas where credit risk arises include cash and cash equivalents, and deposits with banks and other receivables. The Company has no significant concentrations of credit risk. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on loans and receivables and subsequent write-offs. Compliance and Risk committee makes regular reviews to assess the degree of compliance with the Company procedures on credit.

Exposures to individual policyholders and groups of policyholders are collected within the on-going monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company risk committee.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**b) Credit risk (continued)**

**Credit quality analysis**

The following table sets out information about the quality of credit reinsurance contract assets.

<b>Reinsurance contract assets</b>	<b>2025</b>	<b>2024</b>
Based on AM best rating agency		
	<b>Frw'000'</b>	<b>Frw'000'</b>
AA+	893,679	1,909,469
A+	2,286,607	1,267,188
A	1,567,602	633,594
BBB	1,278,380	2,534,374
	<b>6,026,268</b>	<b>6,344,625</b>

As at 31 December 2025, the maximum exposure to credit risk from reinsurance contract is Frw 6.026 Bln (2024: Frw 6.344 Bln)

The table below set out the credit quality analysis for investment in term deposit, government bonds and other receivables.

<b>Deposit with financial institution</b>	<b>2025</b>	<b>2024</b>
	<b>Frw'000'</b>	<b>Frw'000'</b>
AA+	253,015	790,928
A	2,534,045	783,800
B	2,114,339	3,708,417
	4,901,399	5,283,145
Loss allowance	(17,838)	(13,405)
	<b>4,883,561</b>	<b>5,269,740</b>

<b>Government bonds at amortized cost</b>	<b>2025</b>	<b>2024</b>
	<b>Frw'000'</b>	<b>Frw'000'</b>
B+	2,367,393	1,708,599
Loss allowance	(8,847)	(7,636)
	<b>2,358,546</b>	<b>1,700,963</b>

**C. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its insurance and reinsurance contracts and financial liabilities that are settled by delivering cash and another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its daily cash flow requirements and optimizes its cash return on investments by immediately investing any excess cash on hand. Typically, the Company ensures that it has sufficient cash on demand to settle expected. Operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disaster.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**C. Liquidity risk (continued)**

The table below presents the cash flows payable by the company at the balance sheet date.

	2025			Total Frw '000'
	0-3 Month Frw'000'	3-12 month Frw '000'	After one year Frw '000'	
<b>Financial assets</b>				
Cash and cash equivalents	316,744	-	-	316,744
Financial assets at amortised cost	1,573,685	3,327,713	2,371,658	7,273,056
Reinsurance contract assets	-	6,026,268	-	6,026,268
<b>Total</b>	<b>1,890,429</b>	<b>9,353,981</b>	<b>2,371,658</b>	<b>13,616,068</b>
<b>Financial liabilities</b>				
Liability for incurred claims	344,344	990,278	341,917	1,676,539
Lease liability	31,118	104,619	-	135,737
Payables	313,327	939,982	-	1,253,309
<b>Total</b>	<b>688,789</b>	<b>2,034,879</b>	<b>341,917</b>	<b>3,065,585</b>
<b>Net liquidity gap</b>	<b>1,201,640</b>	<b>7,319,102</b>	<b>2,029,741</b>	<b>10,550,483</b>

	2024			Total Frw '000'
	0-3 Month Frw'000'	3-12 month Frw '000'	After one year Frw '000'	
<b>Financial assets</b>				
Cash and cash equivalents	193,807	-	-	193,807
Financial assets at amortised cost	425,958	4,857,186	1,708,599	6,991,743
Reinsurance contract assets	-	6,344,625	-	6,344,625
<b>Total</b>	<b>619,765</b>	<b>11,201,811</b>	<b>1,708,599</b>	<b>13,530,175</b>
<b>Financial liabilities</b>				
Liability for incurred claims	220,912	564,010	689,236	1,474,158
Lease liability	30,021	108,214	106,285	244,520
Payables	634,475	1,463,735	-	2,098,210
<b>Total</b>	<b>885,408</b>	<b>2,135,959</b>	<b>795,521</b>	<b>3,816,888</b>
<b>Net liquidity gap</b>	<b>(265,643)</b>	<b>9,065,852</b>	<b>913,078</b>	<b>9,713,287</b>

**Maturity analysis**

**Insurance and reinsurance contracts**

The following table provides a maturity analysis of the Company's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur. Our Liability for remaining coverage is measured under the PAA and have been excluded from this analysis

31-Dec-25	1 year or less	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years	Total
	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'	Frw'000'
<b>Insurance contracts</b>							
Liability	1,334,623	122,988	128,852	38,498	19,130	32,448	1,676,539
<b>Reinsurance contract</b>							
Assets	390,087	55,472	39,322	7,310	489	829	493,509

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**C. Liquidity risk (continued)**

**Maturity analysis (continued)**

**Insurance and reinsurance contracts(continued)**

31-Dec-24	1 year or less	1-2 Years	2-3 Years	3-4 Years	4-5 Year	More than 5 Years	Total
<b>Insurance contracts</b>	<b>Frw'000'</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000'</b>
Liability	785,597	367,906	14,464	15,349	1,857	12,834	1,198,007
<b>Reinsurance contract</b>							
Assets	274,918	199,060	2,482	3,520	403	1,555	481,938

**D. Fair value measurement**

Fair values versus carrying amounts.

The carrying amounts for short assets of the Company's financial assets and liabilities approximates its fair value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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 securities	Highly structured OTC derivatives with unobservable parameters
Types of financial liabilities:	Listed equities Listed derivative instruments	Unlisted equities Over-the-counter derivatives	Highly structured OTC derivatives with unobservable parameters

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26. Risk Managements (continued)**

**C. Fair value measurement (continued)**

*Valuation methods and assumptions*

Financial assets at FVOCI, Government securities at amortised cost, term deposits approximate their carrying value amounts due to the short-term maturities of these instruments.

	Carrying amount	Fair value	Significant observable inputs Level 2 Frw'000
	Frw'000	Frw'000	Frw'000
<b>31 December 2025:</b>			
Government securities at amortised cost	2,358,546	2,371,658	13,112
Term deposits at amortised cost	4,883,560	4,901,398	17,838
<b>31 December 2024:</b>			
Government securities at amortised cost	1,700,963	1,708,599	7,636
Term deposits at amortised cost	5,269,740	5,283,144	13,405

**Capital management and going concern.**

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

To comply with the capital and regulatory solvency requirements as set out in Regulation No. 66/2023 on licensing requirements and other requirements for carrying out insurance business and the related regulations and directives (together "insurance regulations").

To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to its policyholders; and

To price insurance and investment contracts commensurately with the level of risk.

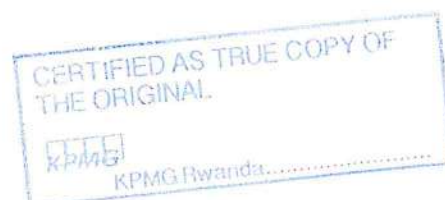
Insurance regulations require each insurance Company to hold the minimum level of paid-up capital as follow.

General insurance business companies FRW 3,000 million and General insurance businesses are required to maintain a solvency margin (admitted assets less admitted liabilities) equivalent to the higher of FRW 500 million or 20% of the net premium income during the preceding financial year.

Capital adequacy and solvency margin are monitored regularly by the Board of Directors. The required information is filed with the National Bank of Rwanda on a monthly basis.

The Company's paid-up Capital at the end of 2025 and 2024 are presented on note 23. The table below summarizes the solvency margin of the Company on 31 December 2025 and 2024.

	2025 Frw'000	2024 Frw'000
Admitted assets	13,255,258	19,448,291
Admitted liabilities	11,851,365	18,117,432
Solvency margin	1,403,894	1,330,858
Required margin	500,000	500,000
Excess	903,894	830,858
	281%	266.17%



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**27. Ultimate Parent Company**

The ultimate parent company of Mayfair Insurance Company Rwanda is Mayfair Insurance Company Limited.

**28. CONTINGENT LIABILITIES**

In line with the insurance industry in general, the company is subject to litigation arising in the normal course of insurance business. The directors are of the opinion that any outstanding litigation in this respect will not have a material effect on the financial position or profits of the company.

**29. CAPITAL COMMITMENTS**

As at 31 December 2025, the Company did not have any capital commitments (2024: None).

**30. SUBSEQUENT EVENTS**

There were no events after the balance statement of financial position date for the year ended 31 December 2025 (2024: None).

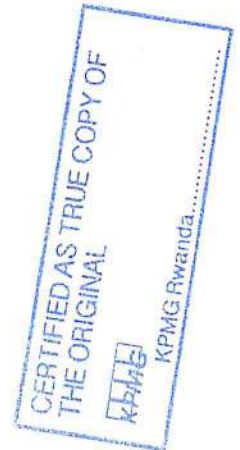


**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
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**Appendices**

**Revenue account 2025**

(In Frw '000')	Aviation	Engineering	Fire	Liability	Marine	Motor	Personal Accident	Theft	Workmen's Compensation	Miscellaneous	Agribusiness	Total
Insurance revenue	2,048	2,331,878	2,667,859	606,126	563,412	1,596,459	182,184	610,141	20,249	359,493	499,082	9,438,931
Insurance service expenses	(40)	(111,813)	(422,686)	(79,740)	30,548	(1,351,316)	(54,825)	(122,818)	(14,869)	(26,273)	(97,151)	(2,250,983)
Net expenses from reinsurance contracts	(883)	(1,632,963)	(1,435,802)	(365,732)	(203,509)	(98,678)	(52,941)	(433,609)	(119)	(168,338)	(293,814)	(4,686,388)
<b>Insurance service result</b>	<b>1,125</b>	<b>587,102</b>	<b>809,371</b>	<b>160,654</b>	<b>390,451</b>	<b>146,465</b>	<b>74,418</b>	<b>53,714</b>	<b>5,261</b>	<b>164,882</b>	<b>108,117</b>	<b>2,501,560</b>
Net finance expenses from insurance contracts	4	(490,397)	(13,210)	(3,163)	(11,401)	66,288	2,432	2,595	922	(593)	489	(446,034)
Net finance income from reinsurance contracts	(3)	491,052	8,222	378	2,675	(1,637)	(820)	328	10	411	(280)	500,336
<b>Net financial result</b>	<b>1</b>	<b>655</b>	<b>(4,988)</b>	<b>(2,785)</b>	<b>(8,726)</b>	<b>64,651</b>	<b>1,612</b>	<b>2,923</b>	<b>932</b>	<b>(182)</b>	<b>209</b>	<b>54,302</b>
operating and Finance expenses	146	401,302	711,366	101,010	266,111	862,335	50,295	41,036	2,650	82,817	79,241	2,598,309
<b>Underwriting profit /(loss)</b>	<b>980</b>	<b>186,455</b>	<b>93,017</b>	<b>56,859</b>	<b>115,614</b>	<b>(651,219)</b>	<b>25,735</b>	<b>15,601</b>	<b>3,543</b>	<b>81,883</b>	<b>29,085</b>	<b>(42,447)</b>



**MAYFAIR INSURANCE COMPANY RWANDA LIMITED  
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**Revenue account 2024**

(In Frw '000')	Descriptions	Aviation	Engineering	Fire	Liability	Marine	Motor	Personal Accident	Theft	Workmen's Compensation	Miscellaneous	Agribusiness	Total
	Insurance revenue	519	691,957	2,100,673	421,279	429,851	1,489,441	139,992	524,921	23,378	771,994	527,378	7,121,383
	Insurance service expenses	5	(1,914,535)	(440,933)	(77,189)	(223,180)	(705,195)	(7,911)	(65,845)	(2,219)	(29,687)	(118,430)	(3,585,119)
	Net expenses from reinsurance contracts	(305)	1,503,773	(1,108,139)	(220,570)	(65,839)	(80,517)	(49,318)	(353,242)	(2,388)	(514,968)	(268,892)	(1,160,405)
	<b>Insurance service result</b>	<b>219</b>	<b>281,195</b>	<b>551,601</b>	<b>123,520</b>	<b>140,832</b>	<b>703,729</b>	<b>82,763</b>	<b>105,834</b>	<b>18,771</b>	<b>227,339</b>	<b>140,056</b>	<b>2,375,859</b>
	Net finance expenses from insurance contracts	2	(192,761)	(11,894)	(4,694)	(3,316)	5,322	3,344	4,184	63	1,392	883	(197,475)
	Net finance income from reinsurance contracts	(2)	179,043	7,099	906	1,010	(2,430)	(1,460)	(3,033)	55	(1,247)	(942)	178,999
	<b>Net financial result</b>	<b>-</b>	<b>(13,718)</b>	<b>(4,795)</b>	<b>(3,788)</b>	<b>(2,306)</b>	<b>2,892</b>	<b>1,884</b>	<b>1,151</b>	<b>118</b>	<b>145</b>	<b>(59)</b>	<b>(18,476)</b>
	operating and Finance expenses	61	272,033	545,346	96,799	147,438	730,697	64,311	95,519	10,152	222,481	129,235	2,314,072
	<b>Underwriting profit (loss)</b>	<b>158</b>	<b>(4,556)</b>	<b>1,460</b>	<b>22,933</b>	<b>(8,912)</b>	<b>(24,076)</b>	<b>20,336</b>	<b>11,466</b>	<b>8,737</b>	<b>5,003</b>	<b>10,762</b>	<b>43,311</b>

