



MAYFAIR

INSURANCE COMPANY RWANDA LIMITED



ANNUAL REPORT 2025

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ABBREVIATIONS

A glossary of acronyms used throughout this report.

MICR Mayfair Insurance Company Rwanda Ltd

NBR National Bank of Rwanda

GWP Gross Written Premium

HR Human Resources

RDB Rwanda Development Board

PAR Plant All Risks

CRI Collateral Indemnity Insurance

LRC Liability for Remaining Coverage

LIC Liability for Incurred Claims

OCR Outstanding Claims Reserve

UPR Unearned Premium Reserve

BCL Basic Chain-Ladder Method

BF Bornhuetter-Ferguson Method

IBNR Incurred But Not Reported

IEUR Initial Expected Ultimate Loss Ratio

RSSB Rwanda Social Security Board

MMI Military Medical Insurance

RA Risk Adjustment

BEL Best Estimate of Liability

IFRS International Financial Reporting Standards

ECL Expected Credit Loss

PAA Premium Allocation Approach

CSM Contractual Service Margin

OCI Other Comprehensive Income

AT A GLANCE

REPORT HIGHLIGHTS

Key financial and operational indicators for the year ended 31 December 2025.

Frw 9.44 Bn

INSURANCE REVENUE

↑ 33% vs 2024 (Frw 7.12 Bn)

Frw 586 Mn

NET PROFIT

↓ 9% vs 2024 (Frw 642 Mn)

22,859

POLICIES UNDERWRITTEN

Accumulated underwritten policies in 2025

Frw 2.50 Bn

INSURANCE SERVICE RESULT

Service expenses: Frw 2.25 Bn

Frw 14.94 Bn

TOTAL ASSETS

Strong, diversified balance sheet

Frw 5.24 Bn

NET ASSETS

↑ 12.6% vs 2024 (Frw 4.65 Bn)

LEADERSHIP

CHAIRMAN'S STATEMENT

**BYUSA HANGU ALPHONSE***Chairman of the Board*

“

The year 2025 marks the ninth consecutive year of sustained revenue growth for the Company

Foreword

It is my privilege to present, on behalf of the Board, the consolidated annual report and financial statements of Mayfair Insurance Company Rwanda Ltd for the fiscal year ended 31 December 2025.

This has been a defining year for our company. Our performance reflects the discipline of a clear strategy, the focus of capable leadership, and the trust of stakeholders who have stood with us. Together, these results affirm that Mayfair Rwanda is in the right market, with the right plan, and on the right course to deliver enduring value.

Business Environment

Rwanda's financial sector demonstrated notable resilience in 2025, sustaining its growth trajectory in the face of challenges posed by both global and domestic macroeconomic conditions, fluctuating weather patterns, and the appreciation of the US Dollar. As indicated by our regulatory body, our sector has remained strong; the general insurance segment, which is our primary focus, constituted 88.4% of total assets, followed by life insurance (9.2%) and specialised insurers (2.4%).

Financial Results

The year 2025 marks a significant milestone for the Company, representing the ninth consecutive year of sustained revenue growth and reaffirming the resilience of our business model. It also marks the third year since the implementation of IFRS 17, enhancing the transparency and comparability of our financial reporting.

During the year, the Company recorded Gross Written Premium Frw 9.016 billion. This performance resulted in a Profit Before Tax of Frw 771 million and a Profit After Tax of Frw 586 million, reflecting our continued focus on delivering sustainable value through disciplined financial management.

Outlook and Strategy

As we look ahead, we remain committed to navigating uncertainties while capitalising on emerging opportunities, with a continued focus on strengthening Mayfair Insurance Company Rwanda Ltd and delivering sustainable value to our stakeholders.

The 2025 financial year marks the launch of our 2025–2028 strategic plan, through which we will drive product innovation, enhance operational efficiency, and sustain our competitive position. Central to this effort is our leadership and talent strategy, as we continue to attract, develop, and retain skilled professionals equipped to succeed in a dynamic business environment.

Appreciation

On behalf of the Board of Directors, I extend our sincere appreciation to our shareholders for your continued trust, support, and confidence in the Company. Your partnership remains fundamental to our sustained growth and long-term success. I also wish to acknowledge my fellow Board members for their steadfast leadership and strategic guidance in advancing Mayfair Insurance Company Rwanda Ltd.'s objectives.

We are equally grateful to our valued clients for their ongoing confidence in our services. Lastly, I commend our management and staff for their dedication, professionalism, and unwavering commitment to delivering on our vision of becoming a trusted and innovative leader in Pan-African financial services.

BYUSA HANGU Alphonse

Chairman of the Board of Directors

LEADERSHIP

MANAGING DIRECTOR'S STATEMENT

**IGOMA JESSICA***Managing Director*

“

Insurance revenue increased by 33% in 2025, with impressive performance across all areas of operations.

Performance

The year 2025 has been another outstanding period for Mayfair Insurance Company Rwanda Ltd, marked by impressive performance across all areas of our operations. We delivered solid growth across key financial indicators, including written premiums, cash flows, investments, profitability, and our overall asset base.

This performance reflects the disciplined execution of our strategy, supported by targeted marketing through selected distribution channels, strengthened intermediary partnerships, a well-diversified business portfolio, proactive investment management, and a continued focus on enhancing customer experience.

Financial Results

This marks the third year since the Company adopted IFRS 17, the international standard-governing insurance contracts. I am pleased to report that Mayfair Insurance Company Rwanda Ltd delivered strong results, recording a Gross Written Premium of Frw 9.016 billion and insurance revenue of Frw 9.438 billion. Notably, insurance revenue grew by 33% in 2025, reflecting the strength of our business strategy and execution.

Human Capital, Processes & Technology

At the core of our success is the strength of our people. We have maintained our competitive edge by continuously investing in talent and emerging technologies to enhance efficiency and make our insurance solutions more accessible to our clients. These efforts have reinforced confidence among our customers, intermediaries, and investors, strengthening our position as a trusted general insurance provider in Rwanda.

Over the past year, the transformation of our internal processes and mindset has remained a key driver of our performance. We have embraced innovation to meet the evolving needs of a new generation of customers, whose expectations are shaped by dynamic market trends.

Through a strong emphasis on people development within a collaborative and open working environment, we have fostered a culture that encourages innovation, teamwork, and individual initiative. We are confident that this culture will continue to build an agile and resilient workforce, well-equipped to meet the changing needs of our customers now and into the future.

Future Outlook

The Company operates in an increasingly competitive environment and remains firmly committed to executing strategies that drive sustainable growth and profitability. We are confident in our ability to navigate emerging challenges while capitalising on new opportunities, supported by our focus on target market engagement, strong stakeholder relationships, enhanced customer experience, and continuous innovation.

We will continue to invest in digital transformation to simplify the customer journey and empower our intermediaries to deliver tailored solutions.

In closing, I wish to express my sincere gratitude to our customers, shareholders, Board of Directors, and staff for their unwavering commitment and support of our customer-centric initiatives. I eagerly anticipate collaborating with our team, intermediaries, regulators, and other partners as we elevate Mayfair Insurance Company Rwanda Ltd to new horizons.

IGOMA Jessica

Managing Director

2025 INTEGRATED ANNUAL REPORT

CORPORATE GOVERNANCE

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OUR GOVERNANCE

CORPORATE GOVERNANCE

Mayfair Insurance Company Rwanda Limited, as a regulated financial institution, is committed to adhering to the best practices of corporate governance. Shareholders nominate skilled and experienced directors of high caliber to oversee the management of the company. The Board of Directors at MICR conducts annual self-assessments as required by corporate governance regulations.

Board of Directors

Below are the Board Members of MICR in 2025.



**Mr. Alphonse HANGU
BYUSA**
CHAIRMAN



**Amb. Dr. Benjamin
RUGANGAZI**
DIRECTOR



**Dr. Shivon
BYAMUKAMA**
DIRECTOR



**Mr. Richard
RWIHANDAGAZA**
DIRECTOR



Mr. Anjay PATEL
DIRECTOR



**Ms. Alida Providence
NZALELA**
DIRECTOR



**Mr. Senthil Ganesh
SHANBAGAMOORTHY**
DIRECTOR



Ms. Jessica IGOMA
MANAGING DIRECTOR

Board Committees

In line with best practices, the MICR Board has in place various Board Committees, set out below with their respective members.

COMMITTEE	MEMBERS
Underwriting & Claims	<ul style="list-style-type: none"> ▪ Dr. Shivon Byamukama — Chairperson ▪ Mr. Richard Rwihandagaza — Member ▪ Mr. Anjay Patel — Member
Audit & Investment	<ul style="list-style-type: none"> ▪ Ms. Nzalela Alida Providence — Chairperson ▪ Mr. Anjay Patel — Member ▪ Dr. Shivon Byamukama — Member
IT & Human Resources	<ul style="list-style-type: none"> ▪ Amb. Dr. Benjamin Rugangazi — Chairperson ▪ Mr. Senthil Ganesh Shanbagamoorthy — Member ▪ Ms. Nzalela Alida Providence — Member
Risk Management & Compliance	<ul style="list-style-type: none"> ▪ Mr. Richard Rwihandagaza — Chairperson ▪ Amb. Dr. Benjamin Rugangazi — Member ▪ Ms. Nzalela Alida Providence — Member

Senior Management



Ms. Igoma Jessica
Managing Director



Mr. Kamau Chege Benson
General Manager



Roger Bernard Iradukunda
Head of Finance & HR
Administration



**Mr. Rwirangira Nganji
Ferdinand**
Head of Underwriting &
Reinsurance



Mr. Kayigamba Viateur
Head of Claims



Mr. Valens Nzungize
Head of Business Development



Mr. Boris Twahirwa
Head of IT



Mr. Jean Claude Habimana
Head of Risk & Compliance



Mr. Amin Kayitare
Head of Internal Audit



Mr. James Ngirumwe
Legal & Company Secretary

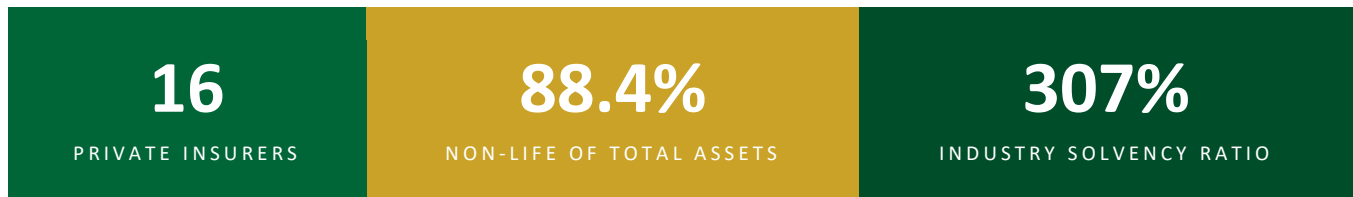
MARKET CONTEXT

INSURANCE SECTOR OUTLOOK 2025

According to the National Bank of Rwanda (NBR), as of December 2025, 16 private insurers operated in Rwanda: 9 offering non-life insurance, 3 providing life insurance, 1 specializing in micro insurance, 1 in captive insurance, 1 operating as an HMO, and 1 as a mutual insurer. The sector also includes two public health insurance providers offering non-life products (RSSB Medical and MMI).

Furthermore, the market is comprised of insurance intermediaries which include 18 insurance brokers, 11 bancassurance providers, 1,511 insurance agents, and 35 loss adjusters. The non-life segment dominates the insurance industry, accounting for 88.4% of total assets, followed by life insurance (9.2%) and specialized insurers (2.4%).

As of December 2025, the sector remains highly interconnected with the broader financial system, with 38% of its total assets invested in financial sector placements and equity. This underscores its role in supporting the funding of financial institutions and economic growth; however, it exposes it to risks from other financial institutions.



Product Breakdown for Non-Life Insurance

Source: National Bank of Rwanda. Amounts in Frw billions.

Product	GWP 2024	Claims 2024	Ratio 2024	GWP 2025	Claims 2025	Ratio 2025
Motor	67.638	32.226	53.3%	79.845	37.161	52%
Property	21.261	1.084	14.6%	25.859	1.434	16%
Medical	36.395	21.339	72.4%	43.078	26.160	77%
Liability	4.795	159	8.4%	5.783	0.536	23%
Transportation	1.582	162	23.5%	2.008	0.296	32%
Accident & Health	3.097	330	15.9%	3.088	0.438	20%
Engineering	16.369	872	44.2%	11.478	0.496	18%
Guarantee	3.524	3.140	139.5%	4.549	0.904	40%
Miscellaneous	11.213	1.070	37.4%	12.393	1.504	41%

Sector Performance and Soundness

Private insurance continued to perform well. As at December 2025, the asset base expanded by 12.7% to Frw 491.3 billion. This growth was mainly supported by better quality underwriting resulting in increased gross written premiums and a reduction in claims.

Insurance sector gross written premiums grew by 13.6% to Frw 399 billion. General insurance (non-life) remained the largest contributor to private insurance premiums, accounting for 74% as of December 2025. The general insurance business is primarily driven by motor and medical insurance products, which together make up 65% of private insurance premiums. Premiums in motor insurance grew by 26.2% to Frw 67.6 billion in line with the increase of vehicles in the country.

Regulatory requirements prescribe a minimum solvency and liquidity ratio of 100% to ensure sustainability and shock absorption capacity. As of December 2025, private insurers reported a solvency ratio of 307% and a liquidity ratio of 124%, comfortably above the prudential thresholds of 100%.

The liquidity ratio for private insurers stood at 108%, surpassing the 100% prudential requirement, explained by quality investments and enhanced underwriting capacity. Claims in private insurance increased by 16.1%, reaching Frw 97.6 billion in December 2025, mainly due to upward adjustment in medical tariffs. However, the claims ratio decreased from 57.1% to 56.7%. This improvement reflects stronger performance in other insurance products and signals continued enhancement in underwriting risk management.

2025 INTEGRATED ANNUAL REPORT

COMPANY PROFILE

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WHO WE ARE

COMPANY PROFILE

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

VISION	MISSION	CORE VALUES
<i>To be distinguished as a reliable and innovative Pan-African financial services leader.</i>	<i>To provide financial security through reliable and innovative insurance solutions.</i>	<i>Integrity · Professionalism · Reliability · Respect</i>

Shareholding Structure

Our shareholding base reflects strong regional anchoring, with the majority held by Mayfair Insurance Company Ltd (Kenya).

SHAREHOLDER	SHAREHOLDING
Mayfair Insurance Company Ltd	40.00%
Andrea Ltd	17.50%
Vinay Hargovind Gorajia	12.50%
Amb. Benjamin Rugangazi	12.50%
Anjay Vithalbhai Patel	8.75%
Vishal Rajinderkumar Patel	8.75%
TOTAL	100.00%

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COMPANY PRODUCTS

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WHAT WE OFFER

OUR PRODUCTS

Mayfair Insurance Company Rwanda Ltd provides a comprehensive range of general insurance solutions tailored to individuals, businesses and institutions across the Rwandan market.

MOTOR INSURANCE

Motor (Private & Commercial): By law, all motor vehicles on public roads in Rwanda are required to have at least third-party insurance cover for injuries or death caused to third parties, commonly known as Act Only insurance. Mayfair goes beyond statutory requirements and offers Comprehensive, Motor Third Party, Theft, Fire, and Material Damage covers.

FIRE & ALLIED PERILS

Fire & Special Perils Insurance: Covers the insured property against fire, lightning and explosion. Typically extended to cover earthquake, volcanic eruption, storm, tempest, flood, escape of water, impact by road vehicle or animal, riot, strike and civil commotion.

Industrial All Risks: Covers accidental physical loss or damage to insured property, including buildings, plant, machinery, contents, equipment and stock.

ENGINEERING

Contractors all risks: Comprehensive protection against loss or damage to contract works, construction plant and equipment or contractual machinery, plus Third-Party Liabilities for property damage or bodily injury during project execution.

Contractors Plant & Machinery Insurance: Covers fire, theft and external accidental damage to insured plants (excluding machinery breakdown). Plant All Risks (PAR) extends to fire, theft and accidental external damage to insured plant or machinery.

Erection All Risks: Covers any unforeseen and sudden physical loss or damage from any cause not specifically excluded, plus accidental death or injury to third parties and third-party property damage.

Machinery Breakdown Insurance: Covers unforeseen or sudden damage to machinery whilst in operation, at rest, dismantled for cleaning/inspection, or being removed to another working position.

Deterioration of Stock: Covers damage or deterioration of stock resulting from breakdown of cold-rooms and other refrigerating equipment.

Computer & Electronic Equipment All Risks: Arranged on an All Risks basis covering sudden and unforeseen losses resulting in material damage to computers and electronic equipment.

BONDS, MONEY & TRAVEL

Bond Insurance: Surety issued to a principal in respect of another, guaranteeing proper performance under contract. Available bonds include Performance, Advance Payment, Bid/Proposal/Tender, Government, Temporary Importation, Customs, and Collateral Indemnity Insurance (CRI).

Money Insurance: Covers loss of money in transit, in a securely locked safe or strong-room, or in personal custody of top management. Safety itself may also be insured.

Travel Insurance: Covers medical expenses, trip cancellation, lost luggage, flight accident and other losses incurred while travelling, internationally or domestically.

AVIATION & MARINE

Aviation-Hull & Machinery (incl. spare parts): Insurance of aircraft hull and machinery, including spare parts.

Aviation-Passenger & Public Liabilities — Liability cover for passengers and the public, including crew members.

Marine Cargo: Cover for goods being shipped between countries against maritime and other extraneous perils.

Marine Hull Insurance: Covers the vessel and its machinery against maritime and other extraneous perils.

Goods in Transit: Covers loss or damage to goods whilst in transit by land, rail or inland water transport — including loading, unloading and temporary storage.

Carrier's Legal Liability: Legal liability for accidental loss or damage to goods in custody or control of the insured whilst in transit by road or any other specified mode.

LIABILITY & WORKFORCE

Group Personal Accident: Flexible 24-hour worldwide cover providing compensation for Death, Permanent or Temporary Disablement, and medical, surgical and hospital expenses arising from accidents.

Public/Product Liability Insurance: Covers the insured against legal liability to third parties for death, bodily injury or property damage arising out of negligence in the course of business.

Workmen's Compensation: Provides compensation to employees for injury, death or disease arising out of or in the cause of their employment.

Employers Liability / Common Law: Covers employers' legal liability under common law for damages, claimants' costs and litigation expenses (incurred with our written consent).

PROPERTY, THEFT & OTHER

Domestic Package: Insurance for private dwelling houses and household contents against fire and a wide range of other perils and liabilities.

Burglary & Housebreaking: Covers loss or damage to property following forcible and violent entry into and out of a building.

All Risks for Mobile Property: Covers loss or damage to portable items such as mobile phones and laptops arising from all accidental risks (except those specifically excluded).

Fidelity Guarantee Insurance: Covers the insured against the infidelity of their employees, on named position or blanket basis.

Consequential Loss: Covers loss of profit following interruption of, or interference with, the business in consequence of damage arising from insured perils.

Crop Insurance: Covers shortfall of yield in the insured area, caused by perils including drought, excessive rainfall, pests and diseases, earthquake, volcanic eruption, fire, animals, insects, floods and other perils not specifically excluded.

Political Terrorism & Violence: Covers physical loss of property directly caused by acts of terrorism, sabotage, malicious damage, political riots and strikes, civil commotion, invasion, coup d'État, insurrection and war.

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MARKETING & PROMOTION

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OUR YEAR IN MARKET

MARKETING & PROMOTION

Mayfair Insurance Company Rwanda Ltd has established a strong presence in the Rwandan market over the past eight years, leveraging the solid brand reputation of its parent company based in Kenya. With a global financial credit rating of AA- (KE) issued by Global Credit Rating (GCR), our parent company provides a strong foundation for our operations.

Through our marketing and business development functions, we continuously implement brand awareness campaigns and initiatives. These include radio advertising, TV scripts, features in key magazines, and billboards. We have also increased our presence on social media platforms and our website, where we showcase our various products and engage with customers. Additionally, we distribute branded merchandise such as calendars, notebooks, pens, and T-shirts to our intermediaries and clients.

To enhance our nationwide outlook and visibility, we co-brand our agency offices, giving them the appearance of Mayfair branches. Moving forward, we are committed to rolling out various brand awareness initiatives aligned with our marketing strategy to solidify our position as a dominant player in the Rwandan market.

Strategic Milestones in 2025

The following table presents a consolidated summary of the principal corporate milestones achieved during the 2025 financial year.

STRATEGIC PILLAR	OUTCOME DELIVERED
Strategic Partnerships	Execution of two to three major collaborations, headlined by the Toyota Rwanda partnership.
Sponsorship & Engagement	Gold-tier sponsorship of three or more high-impact industry events.
Digital Innovation	Launch of online insurance services through the IrempoPlus platform.
Industry Recognition	Awarded Best Customer Experience at the RIBA Insurer Awards 2025.
Brand Visibility	Sustained increase in stakeholder engagement across all communication platforms.

TOYOTA RWANDA PARTNERSHIP

In the course of the year, Mayfair Insurance Rwanda concluded and formally launched a strategic partnership with Toyota Rwanda, the authorised distributor of Toyota motor vehicles in the Republic of Rwanda. The partnership, formally executed at the Toyota Showroom in Karuruma, establishes Mayfair as the preferred motor insurance provider for both new and pre-owned Toyota vehicles purchased through the dealership network.



Figure 1: The Toyota Rwanda showroom in Karuruma during the official partnership launch event.

The collaboration is structured to deliver an integrated point-of-sale insurance experience whereby every Toyota vehicle is, upon purchase, accompanied by a comprehensive Mayfair insurance policy. This single-roof service model is designed to eliminate the procedural friction historically associated with the post-purchase acquisition of motor cover and to provide vehicle owners with the assurance of immediate, fully compliant insurance protection.

In his opening address at the launch event, the Managing Director of Mayfair Insurance Rwanda articulated the Company's commitment to simplifying the client experience through the consolidation of services. He further emphasised the alignment of operational standards between Mayfair and Toyota, and the joint determination of both institutions to deliver service of a demonstrably premium standard.



Figure 2: Formal signing of the Toyota–Mayfair partnership agreement.

Strategic Impact

- **Strengthened B2B Presence:** the partnership materially extends the Company’s institutional footprint within the automotive value chain.
- **Enhanced Product Awareness:** co-branded customer engagement at the dealership has raised consumer recognition of the Mayfair motor insurance product.
- **Improved Customer Convenience:** the bundled offering reduces transaction time and procedural complexity for the end customer.
- **Accelerated Claims Servicing:** policyholders benefit from streamlined claims processing and real-time policy updates.

RWANDA INSURANCE BROKERS ASSOCIATION ANNUAL CONFERENCE 2025

Mayfair Insurance Rwanda participated, in the capacity of Gold Sponsor, in the 4th Annual Conference of the Rwanda Insurance Brokers Association, convened in Rubavu under the theme “Innovate. Integrate. Insure.” The Conference assembled a representative cross-section of underwriters, brokers, regulators and allied service providers, and afforded the Company a strategic platform on which to engage with senior industry stakeholders.



Figure 3: The Mayfair team at the 4th RIBA Annual Conference in Rubavu.

Principal Contributions

- **Hosted Networking Lunch:** the Company hosted the official conference lunch session, providing a forum for relationship-building among delegates.
- **Stakeholder Engagement:** Mayfair representatives participated actively in plenary discussions, panel sessions and side-line consultations with industry leaders.
- **Brand Authority:** the Company’s visible presence and substantive contributions reinforced its standing as a serious and committed market participant.



Networking lunch hosted by Mayfair at RIBA 2025.



Mayfair representatives at the Enchanted Forest networking dinner.

BEST CUSTOMER EXPERIENCE AWARD

WINNER — RIBA INSURER AWARDS 2025

Best Customer Experience

In a development that constitutes one of the principal corporate achievements of the year under review, Mayfair Insurance Rwanda was conferred with the Best Customer Experience Award at the RIBA Insurer Awards 2025. The award is recognised within the industry as a substantive endorsement of operational service quality, and its conferment represents formal external validation of the customer-centric model that the Company has progressively implemented over recent reporting periods.



Figure 4: The Mayfair Insurance Rwanda team receives the Best Customer Experience Award at RIBA 2025.

Management considers this recognition as both an affirmation of the Company's prevailing service standards and a benchmark against which future performance shall be measured. The award further reinforces the strategic premise that sustained investment in customer experience constitutes a durable source of competitive advantage in the Rwandan insurance market.

IREMBOPUS INTEGRATION

During the 2025 financial year, Mayfair Insurance Rwanda completed the integration of its motor insurance product with IremboPlus, the national digital services platform of the Republic of Rwanda. The integration enables prospective and existing policyholders to purchase, renew and manage motor insurance cover entirely through digital channels, without recourse to physical documentation or in-branch attendance.



Figure 5: Official launch communication for Mayfair Motor Insurance on the IremboPlus platform.

Strategic Objective

The principal objective of the IremboPlus deployment is the enhancement of customer accessibility and procedural convenience through the migration of traditional paper-based and in-person processes to a fully digital service architecture. The initiative aligns with the broader national agenda for the digitalisation of public and private services and supports the Company's long-term ambition to operate a substantially digital-first distribution model.

Operational Mechanics

Through the platform, customers can access motor insurance cover at any time and from any location through the following streamlined procedure:

- The customer logs into the IremboPlus platform at iremboplus.com.
- Mayfair Insurance Rwanda is selected from the panel of registered service providers.
- Vehicle particulars are captured and the applicable premium is computed automatically.
- Payment is made online through the available payment channels.
- The insurance policy is issued instantaneously upon successful settlement.



Figure 6: “Anytime, Anywhere” — IremboPlus offers customers fully digital access to Mayfair motor insurance.

Strategic Impact

- **Enhanced Customer Experience:** the elimination of queues and paperwork delivers a materially improved transactional experience.
- **Increased Digital Adoption:** early uptake metrics indicate growing customer migration toward digital service channels.
- **Operational Efficiency:** the automation of policy issuance reduces administrative overheads and processing time.
- **Market Differentiation:** the integration positions Mayfair amongst the leading digitally enabled motor insurers in the Rwandan market.

STAKEHOLDER ENGAGEMENT

Concurrent with the strategic and operational initiatives outlined above, Mayfair Insurance Rwanda implemented a sustained program of brand-building activity throughout the 2025 financial year. The cumulative effect of co-branded launch events, conference sponsorship, executive thought leadership and digital communication has been a discernible strengthening of the Company's presence in the public domain and amongst institutional counterparties.

Engagement metrics across the Company's primary digital channels recorded sustained growth over the reporting period, supported by consistent content delivery aligned with the corporate brand promise of being "in safe hands." Management considers the integrated nature of the brand-building approach anchored in tangible service improvements rather than communication activity in isolation as a key driver of the favorable trends observed.

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CORPORATE SOCIAL RESPONSIBILITY

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OUR COMMUNITY

CORPORATE SOCIAL RESPONSIBILITY

It is Mayfair Insurance Company Rwanda Ltd's policy to give back to the community through targeted programs as identified and evaluated by management. In 2025, MICR visited the Kigali Genocide Memorial of the 1994 Genocide against the Tutsi and additionally provided financial support to expand the Memorial's activities.

During the visits, the Company's management and staff were educated about the tragic history of the 1994 Genocide against the Tutsi in Rwanda. They were sensitised on the importance of unity and the avoidance of divisionism.

Company staff also took time to honor and remember the victims of the 1994 Genocide against the Tutsi and reaffirmed their commitment to contribute to the ongoing reconstruction and development of their country.



Mayfair staff at the Kigali Genocide Memorial for the commemoration of the 1994 Genocide against the Tutsi (Kwibuka 31).



At the memorial, the Mayfair team observed a minute of silence in remembrance of the victims.

2025 INTEGRATED ANNUAL REPORT

FINANCIAL REPORT

MAYFAIR INSURANCE

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SECTION 2

Financial Statements

For the year ended 31 December 2025

Audited in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board.

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 P.O. 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, Company Secretary & Legal Advisor

AUDITOR	COMPANY SECRETARY	KEY LEGAL ADVISOR
KPMG Rwanda Limited 5th Floor, Grand Pension Plaza P.O. Box 6755 Kigali, Rwanda	James NGIRUMWE Mayfair Insurance Company Rwanda Ltd KG 7 Ave, Kigali Heights, Ground Floor P.O. Box 1380 Kigali, Rwanda	Leopold MUNDERERE Advocate No: 20/T/1995 KN 2 Ave, 12 Kigali, Rwanda

REPORT OF THE DIRECTORS

The directors submit their report 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:

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

3. Dividends

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

4. Reserves

The reserves of the Company are set out in the Statement of Changes in Equity.

5. Directors

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

NAME	DETAILS	NATIONALITY
Alphonse Byusa Hangu	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 office in accordance with Regulation No. 44/2022 of 02/06/2022 determining requirements and other conditions for accreditation of external auditors for regulated institutions.

By order of the Board

.....

 Company Secretary

Date:18/03 2026

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 36 to 84 that give a true and fair view of Mayfair Insurance Company Rwanda Limited financial statements, 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.

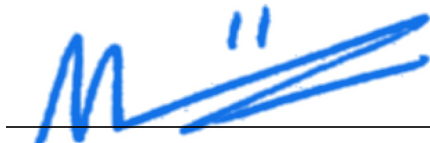
The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk 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 Company Rwanda Limited were approved and authorised for issue by the Board of Directors on 18/03/2026.



Director



Director

Date: 28/03/2026

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”), which comprise 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 then 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, 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 judgement, 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 (CONTINUED)**To the Shareholders of Mayfair Insurance Company Rwanda Limited (Continued)****Key Audit Matters (continued)****Valuation of Insurance Contract Liabilities**

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

Note 4 (Use of judgements and estimates), Note 7(a) (Insurance and reinsurance contracts), and Note 21 (Movement in insurance and reinsurance contract balances).

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>As at 31 December 2025, the Company recognised insurance contract liabilities of Frw 7.6 billion, together with reinsurance contract assets of Frw 5.9 billion and 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.</p> <p>In valuing insurance contract liability balances, management applies significant judgement. 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.</p> <p>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; and past claims experience being an appropriate predictor of future experience.</p> <p>We considered the valuation of insurance contract liability balances to be a key audit matter because of the significant judgements and high degree of estimation uncertainty, the use of complex actuarial methods involving probability theories, and the material nature of the balances in the financial statements.</p>	<p>Our procedures included testing the effectiveness of management controls over models, including that any changes to models have been appropriately tested and the impacts quantified by management.</p> <p>Using our actuarial specialists, we assessed the valuation methodology and assumptions for compliance against legislation and IFRS 17 requirements.</p> <p>We challenged key assumptions and the methodologies and processes used to determine and update these assumptions through comparison with externally observable data (market data) and our assessment of the Company's analysis of experience to date and allowance for future uncertainty.</p> <p>We assessed management's determination of the confidence levels applied in the determination of the risk adjustment for non-financial risk, in line with the minimum regulatory requirement.</p> <p>We evaluated the reasonableness 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.</p> <p>We assessed the appropriateness of management's allocation of groups of contracts into the various measurement buckets as required by IFRS 17, and assessed the adequacy of the insurance contract balances disclosures in accordance with IFRS 17 requirements.</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)***To the Shareholders of Mayfair Insurance Company Rwanda Limited (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 the 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 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.
- 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, 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 key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)***To the Shareholders of Mayfair Insurance Company Rwanda Limited (Continued)******Report on Other Legal and Regulatory Requirements***

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

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

Wilson Kaindi

KPMG Rwanda Limited

Certified Public Accountants

P.O. Box 6755

Kigali, Rwanda

Date: 27/03/2026

PRIMARY FINANCIAL STATEMENT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025	2024
		Frw'000	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)
Insurance service result		2,501,560	2,375,859
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)
Investment return		746,280	757,174
Net finance expense from insurance contracts	9	(446,034)	(197,475)
Net finance income from reinsurance contracts	9	500,336	178,999
Net financial result		800,582	738,698
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)
Profit before tax		770,832	879,902
Income tax expense	13(a)	(184,472)	(237,752)
Profit for the year		586,360	642,150
Other comprehensive income		-	-
Total comprehensive income		586,360	642,150

The notes set out on pages 41 to 84 form an integral part of these financial statements.

PRIMARY FINANCIAL STATEMENT
STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025	2024
Assets		Frw'000	Frw'000
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	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
Total assets		14,937,581	15,887,138
Equity and Liabilities			
Liabilities			
Insurance contract liabilities	21	7,620,397	3,252,535
Reinsurance contract liabilities	21	641,487	5,553,783
Lease liabilities	22	132,513	237,132
Other payables	20	1,253,309	2,098,211
Current income tax payable	13(b)	50,671	92,633
Total liabilities		9,698,377	11,234,294
Equity			
Share capital	23	3,011,296	3,011,296
Retained earnings	23(b)	2,227,908	1,641,548
Total equity		5,239,204	4,652,844
Total equity and liabilities		14,937,581	15,887,138

The financial statements set out on pages 36 to 84 were approved and authorized for issue by the Board of Directors on 18/3/ 2026 and were signed on their behalf by:

Director

Director

The notes set out on pages 41 to 84 form an integral part of these financial statements.

PRIMARY FINANCIAL STATEMENT

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Note	Share capital	Retained earnings	Total
		Frw'000	Frw'000	Frw'000
Year ended 31 December 2024				
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
Balance at 31 December 2024		3,011,296	1,641,548	4,652,844
Year ended 31 December 2025				
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
Balance at 31 December 2025		3,011,296	2,227,908	5,239,204

The notes set out on pages 41 to 84 form an integral part of these financial statements.

PRIMARY FINANCIAL STATEMENT

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025	2024
		Frw'000	Frw'000
Cash flows from operating activities			
Profit after income tax		586,360	642,150
<i>Adjustments for:</i>			
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
		278,093	398,795
Working capital changes			
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
Other payables		(844,903)	1,212,756
Cash generated from operating activities		32,940	79,413
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)
Net cash from operating activities		325,780	412,350

	Note	2025	2024
Cash flows used in investing activities			
Purchase / reinvestment of deposits placed with financial institutions	15(a)	(16,518,737)	(11,067,313)
Proceeds from mature 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)
Net cash used in investing activities		(112,356)	(359,571)
Cash flows used in financing activities			
Payment of principal portion of lease liability	22	(98,394)	(71,211)
Net cash used in financing activities		(98,394)	(71,211)
Net increase/decrease) in cash and cash equivalents for the year		115,030	(18,432)
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
Cash and cash equivalents at 31 December		316,744	193,807

The notes set out on pages 41 to 84 form an integral part of these financial statements.

NOTES & DISCLOSURES

NOTES TO THE FINANCIAL STATEMENTS

The notes form an integral part of the financial statements. They provide additional information on the items reported in the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows.

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 on page 29.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

Information about assumptions made in measuring insurance and reinsurance contracts is included in 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.

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 flow, 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 experiences, 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 considers 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 considered 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. Use of judgements and estimates** *(continued)****Estimates of future cash flows (continued)***

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. Other costs that are incurred in fulfilling the contracts include:

- 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; and
- income tax and other costs are specifically chargeable to the policyholders under the terms of the contracts.

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.

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.

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 Bornhuetter-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.

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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Use of judgements and estimates (continued)

Claims Development (continued)

Claims development table for 2025 (Frw '000)

Loss year	2019	2020	2021	2022	2023	2024	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 years later	161,947	280,625	173,531	295,709	279,560	-	-	
Three years later	48,956	66,856	25,483	222,043	-	-	-	
Four years later	5,237	27,747	398	-	-	-	-	
Five years 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)
Gross liability for claims incurred	-	-	-	-	-	-	-	1,676,539

Claims development table for 2024 (Frw '000)

Loss year	2018	2019	2020	2021	2022	2023	2024	Total
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 years later	82,012	161,947	280,625	173,531	295,709	-	-	
Three years later	68,506	48,956	66,856	25,483	-	-	-	
Four years later	270,896	5,237	27,747	-	-	-	-	
Five years 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)
Gross liability for incurred claims	-	-	-	-	-	-	-	1,474,158

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. Use of judgements and estimates** *(continued)***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:

	2025					2024				
	1 Year	5 Years	10 Years	15 Years	20 Years	1 Year	5 Years	10 Years	15 Years	20 Years
Yield curve	8.476	10.80	12.15	12.90	13.15	8.30	11.85	12.97	13.14	13.27

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.

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

(a) New and amended standards effective 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
Lack of Exchangeability — Amendments to IAS 21	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 are not being exchangeable.
- The spot exchange rate is 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5. Changes in material accounting policies (continued)****(b) New standards, amendments, and interpretations in issue but not yet effective (continued)**

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 31 December 2025. Although in some cases the IASB allows early adoption before their effective date, the Company has not proceeded with this option.

Description	Effective date
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 IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	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 amendments are more permissive, applying to all contingent features, not just Environmental, Social and Governance linked features. The amendments apply for reporting periods beginning on or after 1 January 2026 and will not have a material impact on the Company.

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

The 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 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. These amendments are required to be applied for annual reporting periods beginning on or after 1 January 2026. 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. The Board made minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments apply for annual reporting periods beginning on or after 1 January 2026. 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)***(b) New standards, amendments, and interpretations in issue but not yet effective*****IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 promotes a more structured income statement. 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. 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 on 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. Eligible subsidiaries can choose to apply the standard for reporting periods beginning on or after 1 January 2027. The amendments are not expected to have a material impact on the Company because the entity does not have subsidiaries.

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 contracts

Contracts 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6. Material accounting policies** *(continued)****(ii) Separating components from insurance and reinsurance contracts***

At inception, the Company assesses its product for separation and/or combination of insurance contracts. Based on detailed product assessments, there are no legal contracts that would require separation into smaller accounting contracts or combination 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:

- 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.

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

Contracts held by the Company under which it transfers significant insurance risk relating to underlying insurance contracts 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 Company concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Company'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 groups.

A group of reinsurance contracts is recognised on the following dates:

- Reinsurance contracts initiated by the Company provide proportionate coverage: the date on which any underlying insurance contract is initially recognised. This applies to the Company's 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6. Material accounting policies** *(continued)*

- 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

(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 derecognised, 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. Amounts 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 capitalised. 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 excludes lapse and expense risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. Material accounting policies** *(continued)***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)***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.

Insurance revenue — PAA

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 basis 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.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. Material accounting policies** *(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.

(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.

(c) Motor vehicles 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 and fittings	4 years

The assets' residual values, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. Material accounting policies** *(continued)***(d) Investment in 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 recognised 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 recognised 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. Unrealised 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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. Material accounting policies** *(continued)****Business model assessment (continued)***

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.

For receivables 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.

Financial liabilities

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. 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.

(g) Taxes***Current 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.

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.
- In 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.

Deferred tax assets are recognised 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 utilised, 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 recognised 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 utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. Material accounting policies** *(continued)***(g) Taxes (continued)**

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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised 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 recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised 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.

(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 assets.

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 recognised 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 is measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

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 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.

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. 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 cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. Material accounting policies** *(continued)***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.

(j) Provisions

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 discounts 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**8. Insurance revenue**

The Company's insurance revenue, analyzed between contracts measured under the Premium Allocation Approach (PAA) and contracts not measured under the PAA, is set out below.

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Contracts measured under the PAA	7,527,790	6,429,426
<i>Contracts not measured under the PAA — Engineering</i>		
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
Sub-total — contracts not measured under the PAA	1,911,141	691,957
Total insurance revenue (see note 21(a))	9,438,931	7,121,383

Insurance revenue distributed by class of insurance

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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
Total insurance revenue	9,438,931	7,121,383

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**9. Net financial results**

Below is an analysis of the Company's net financial results presented in profit or loss and OCI.

Investment return

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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)
Total investment return	746,280	757,174

Net finance expenses from insurance contracts

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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)
Total net finance expense from insurance contracts	(446,034)	(197,475)

Net finance income from reinsurance contracts

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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
Total net finance income from reinsurance contracts	500,336	178,999

A. Insurance finance income and expenses

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Net finance expenses from insurance contracts — P&L	(446,034)	(197,475)
Total	(446,034)	(197,475)
Net finance income from reinsurance contracts — P&L	500,336	178,999
Total	500,336	178,999

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**9. Net financial results (continued)****B. Interest revenue calculated using the effective interest method**

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Deposits with financial institutions	537,174	498,435
Government bonds	214,750	217,059
Total	751,924	715,494

C. Other investment revenue

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Lease income from investment property*	-	41,142
Gain from fair value remeasurement of investment property	-	1,800
Total investment revenue	-	42,942

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

10. Other income

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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
Total income	66,999	79,417

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Expenses

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Claims and benefits	1,452,565	893,181
Fees and commissions	798,418	583,102
Change in fulfilment 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	103,384	141,929
Other	694,005	684,070
Total expenses	4,817,312	5,857,205

Represented by

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Insurance service expenses	2,250,983	3,585,119
Other operating expenses	2,566,329	2,272,086
Total	4,817,312	5,857,205

Note 11A — Employee benefit expenses

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Wages and salaries	1,352,250	1,088,561
Contributions to Rwanda Social Security Board	118,820	45,992
Total	1,471,070	1,134,553

12. Other finance costs

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**13. Income taxes and deferred taxes****(a) Current tax expense**

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

Reconciliation of effective tax rate

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

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) Tax payable

	2025	2024
	Frw '000	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 utilised	(78,265)	(28,337)
At 31 December	50,671	92,633

(c) Income tax paid

The income tax paid during the year (note 13(b)) amounted to Frw 248,618 thousand (2024: Frw 124,084 thousand), as disclosed in the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**13. Income taxes and deferred taxes (continued)****(d) Movement in deferred tax balances**

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

Deferred income tax assets and liabilities and the deferred income tax charge in the income statement are attributable to the following items.

Year ended 31 December 2025

	January 2025	Credit to P&L	Dec 2025
	<i>Frw '000</i>	<i>Frw '000</i>	<i>Frw '000</i>
Property and equipment and RoU	6,432	15,623	22,055
Provisions	28,087	6,562	34,649
Net deferred tax assets	34,519	22,185	56,704

Year ended 31 December 2024

	January 2024	Credit to P&L	Dec 2024
	<i>Frw '000</i>	<i>Frw '000</i>	<i>Frw '000</i>
Property and equipment and RoU	15,053	(8,621)	6,432
Provisions	23,144	4,943	28,087
Net deferred tax assets	38,197	(3,678)	34,519

14. Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**15. Financial assets at amortised cost**

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

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: 10.0%).

(a) Deposits placed with financial institutions

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

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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)
Subtotal	4,901,399	5,283,145
Expected credit loss	(17,838)	(13,405)
At 31 December	4,883,561	5,269,740

Movement in expected credit losses

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
At 1 January	13,405	12,373
Increase / (decrease)	4,433	1,032
At 31 December	17,838	13,405

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**15. Financial assets at amortised cost (continued)****(b) Government bonds**

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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)
Amortisation of government bonds at premium	1,278	(3,468)
Subtotal	2,367,393	1,708,599
Impairment allowance as per IFRS 9	(8,847)	(7,636)
At 31 December	2,358,546	1,700,963

The loss allowance is measured at an amount equal to 12-month expected credit loss.

Movement in expected credit losses

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
At 1 January	7,636	7,406
Increase / (decrease)	1,211	230
At 31 December	8,847	7,636

6. Other assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**17. Investment property and investment in joint venture****(a) Investment property**

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Balance at 1 January	688,100	686,300
Reclassification to investment in joint venture	(688,100)	-
Gain from fair value movement	-	1,800
Balance at 31 December	-	688,100

Fair value measurement

	Date of valuation	Fair value (Level 3)
		<i>Frw '000</i>
Investment property	27 December 2024	688,100

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

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Initial investment	688,100	-
Balance at 31 December	688,100	-

During the year, the Company contributed its investment property measured under the fair value model to a jointly owned entity (Mayfair Rwanda Building Special Purpose Vehicle (SPV) Ltd) as part of establishing a joint venture arrangement. On the date of contribution, the property was derecognised at its 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**18. Property and equipment****2025**

	Motor Vehicle	Office Equipment	Computer Equipment	Partitioning	Furniture & Fittings	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Cost						
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)
As at 31 December 2025	46,216	48,029	65,366	118,146	55,581	333,338
Accumulated Depreciation						
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)
As at 31 December 2025	39,016	27,099	60,410	67,104	30,879	224,508
Carrying Amount	7,200	20,930	4,956	51,042	24,702	108,830

2024

	Motor Vehicle	Office Equipment	Computer Equipment	Partitioning	Furniture & Fittings	Total
	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000	Frw '000
Cost						
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)
As at 31 December 2024	46,216	57,740	55,133	118,146	54,361	331,596
Accumulated Depreciation						
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)
As at 31 December 2024	25,662	23,506	32,912	37,567	17,541	137,188
Carrying Amount	20,554	34,234	22,221	80,579	36,820	194,408

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**19. Intangible assets**

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

20. Payables

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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
Total	1,253,309	2,098,211

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Insurance and reinsurance contracts

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

(A) Movement in insurance and reinsurance contract balances

Insurance contracts — Analysis by remaining coverage and incurred claims (2025)

2025	Liabilities for remaining coverage	PV of future cash flows	Risk adjustment for non-financial risk	Total
	Frw '000	Frw '000	Frw '000	Frw '000
Opening liabilities	1,778,376	1,102,703	371,456	3,252,535
Changes in P&L and OCI				
Insurance revenue	(9,438,931)	-	-	(9,438,931)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	1,600,138	-	1,600,138
Amortisation of insurance acquisition cash flows	798,419	-	-	798,419
Adjustments to liabilities for incurred claims	-	-	(147,574)	(147,574)
Insurance Service Expenses	798,418	1,600,138	(147,574)	2,250,983
Insurance service result	(8,640,512)	1,600,138	(147,574)	(7,187,948)
Net finance expenses from insurance contracts	486,804	(50,750)	9,980	446,034
Cash flows				
Premiums received	13,265,700	-	-	13,265,700
Claims and other insurance service expenses paid	-	(1,209,413)	-	(1,209,413)
Insurance acquisition cash flows	(946,511)	-	-	(946,511)
Closing liabilities	5,943,857	1,442,678	233,862	7,620,397

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Insurance and reinsurance contracts (continued)

Insurance contracts — Analysis by remaining coverage and incurred claims (2024)

2024	Liabilities for remaining coverage	PV 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 P&L and OCI				
Insurance revenue	(7,121,383)	-	-	(7,121,383)
<i>Insurance service expenses</i>				
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	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	187,434	10,041	-	197,475
Cash flows				
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)
Closing liabilities	1,778,376	1,102,703	371,456	3,252,535

Reconciliation of insurance service expenses and net finance expenses to P&L

	2025	2024
	Frw '000	Frw '000
Insurance Claims Service Expense	1,600,138	921,868
Change in fulfilment cashflow	-	2,108,835
Insurance Movement in Risk Adjustment (RA)	(147,574)	(28,686)
Insurance Amortisation of Acquisition Expenses	798,419	583,102
Insurance service expenses recognised in P&L	2,250,983	3,585,119
Movement in discount of BEL Claims	40,770	10,962

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**21. Insurance and reinsurance contracts (continued)****Reinsurance contracts — Analysis by remaining coverage and incurred claims (2025)**

2025	Assets for remaining coverage	PV of future cash flows	Risk adjustment for non-financial risk	Total
	<i>Frw '000</i>	<i>Frw '000</i>	<i>Frw '000</i>	<i>Frw '000</i>
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)
Allocation of reinsurance premiums paid	(4,978,356)	-	-	(4,978,356)
Recoveries of incurred claims and other insurance service expenses	-	351,095	-	351,095
Adjustments to assets for incurred claims	-	-	(59,127)	(59,127)
Net expenses from reinsurance contracts	(4,978,356)	351,095	(59,127)	(4,686,388)
Net finance income from reinsurance contracts	487,634	6,976	5,726	500,336
Total changes in P&L and OCI	(4,490,722)	358,071	(53,401)	(4,186,052)
Premiums paid	6,408,054	-	-	6,408,053
Amounts received	1,786,976	556,521	-	2,343,497
Net reinsurance contract assets closing balance	4,812,101	448,685	95,555	5,356,341
Closing assets	5,505,948	396,325	95,555	5,997,828
Closing liabilities	(693,847)	52,360	-	(641,487)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**21. Insurance and reinsurance contracts (continued)****Reinsurance contracts — Analysis by remaining coverage and incurred claims (2024)**

2024	Assets for remaining coverage	PV of future cash flows	Risk adjustment for non-financial risk	Total
	Frw '000	Frw '000	Frw '000	Frw '000
Net reinsurance contract assets opening balance	628,414	316,203	223,409	1,168,026
Opening assets	1,972,580	578,889	223,409	2,774,878
Opening liabilities	(1,344,166)	(262,686)	-	(1,606,852)
Allocation of reinsurance premiums paid	(3,484,257)	-	-	(3,484,257)
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)
Net expenses from reinsurance contracts	(1,262,198)	176,246	(74,453)	(1,160,405)
Net finance income from reinsurance contracts	165,905	13,094	-	178,999
Total changes in P&L and OCI	(1,096,293)	189,340	(74,453)	(981,406)
Premiums paid	1,101,823	-	-	1,101,823
Amounts received	473,849	(971,450)	-	(497,601)
Net reinsurance contract assets closing balance	1,107,793	(465,907)	148,956	790,842
Closing assets	5,753,651	442,018	148,956	6,344,625
Closing liabilities	(4,645,858)	(907,925)	-	(5,553,783)

Reconciliation of net expenses from reinsurance and net finance income to P&L

	2025	2024
	Frw '000	Frw '000
Reinsurance expenses	4,978,356	3,484,257
Reinsurance claims service expenses	(351,095)	(176,246)
Change in fulfilment cashflow	-	(2,222,059)
Reinsurance Movement in Risk Adjustment (RA)	59,127	74,453
Net Expenses from Reinsurance contract recognised in P&L	4,686,388	1,160,405
Movement in discount of BEL Claims Reinsurance	12,702	18,794

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**21. Insurance and reinsurance contracts (continued)****Movement in reinsurance contract liabilities**

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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	641,486	5,553,783

22. Leases**(a) Right of use assets**

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

(b) Lease liabilities

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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	132,513	237,132

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**22. Leases (continued)***Amounts recognised in profit or loss*

	2025	2024
	Frw '000	Frw '000
Depreciation expense on right of use asset	(102,961)	(94,216)
Interest on lease liabilities	(31,980)	(41,986)

23. Share capital and retained earnings**(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
As at 31 December	301,130	3,011,296	301,130	3,011,296

The total authorised number of ordinary shares is 301,130 (2024: 301,130), with a par 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 issued shares carry equal voting rights. Holders of ordinary shares are entitled to dividend when declared.

(b) Retained earnings

	2025	2024
	Frw '000	Frw '000
At 1 January	1,641,548	1,006,720
Prior year adjustment	-	(7,322)
Profit for the year	586,360	642,150
As at 31 December	2,227,908	1,641,548

24. Contingent liabilities and capital commitments

There were no commitment 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**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 Vithalbhai 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

25. Related party transactions (continued)**(a) Directors' remuneration**

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Directors' fees and allowances	119,722	88,958

(b) Key management remuneration

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Salaries and wages	782,813	743,554

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**(c) Transactions with related parties**

A number of directors are parties to insurance contracts issued by the Company. The amounts of these transactions are set out below, and all premiums were paid at the date of reporting.

Premiums received on short-term insurance policies

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
Byamukama Shivon	1,278	1,435
Rwihandagaza Richard	369	550
Byusa Hangu Alphonse	119	189
Igoma Jessica	76	76
Rugangazi Ben	180	699
Total	2,022	2,949

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

(d) Due to related parties

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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 Management

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Risk and Capital Management (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 is assisted 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 Audit and HR Committee.

(b) Key risks arising from contracts issued

Non-life contracts

Product	Key risks	Risk mitigation
Property and casualty	Extreme weather events. Natural catastrophes. Legislative changes giving rise to increased claims.	Diversification of types of risk, industries and geographic locations in which risks are written. Extensive analysis of data to enhance risk selection, segmentation, and profitability. Reinsurance with financially strong reinsurers, including excess of loss catastrophe cover.

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.

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).

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 and loss conditions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Risk and Capital Management (continued)

(b) Key risks arising from contracts issued (continued)

Non-life contracts

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 (carrying amounts, net of reinsurance)

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

	2025	2024
	<i>Frw '000</i>	<i>Frw '000</i>
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
Total	3,028,370	2,430,782

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**26. Risk and Capital Management (continued)****Sensitivity analysis — 31 December 2025**

Amount in Frw '000	Profit or Loss — Gross		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)

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 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 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 a 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.

Reinsurance risk

In common with other insurance companies, in order to minimise 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 effected 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 characteristics of the reinsurers.

Reinsurance risk — claims by product

Product	Claims paid	Outstanding claims	Reinsurer's share in paid and payable claims
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
Total	1,209,413	1,113,730	602,945

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Risk and Capital Management (continued)

(c) Financial risk — Market risk (Foreign exchange)

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 recognised 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.

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
Total	75,440	43,757

Sensitivity to USD changes

Currency	Change	Profit before tax 2025	Equity 2025	Profit before tax 2024	Equity 2024
USD	+5	5,481	3,946	709	510
	-5	(5,481)	(3,946)	(709)	(510)
		31 December 2025		31 December 2024	
Average rate		1,451		1,383	
Closing rate		1,458		1,397	

(d) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a reinsurance contract or financial instrument fails to meet its obligations, arising from the Company's reinsurance contract assets and investments in 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.

Credit quality of reinsurance contract assets (AM Best rating)

	2025	2024
	Frw '000	Frw '000
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
Total	6,026,268	6,344,625

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**26. Risk and Capital Management (continued)****(d) Credit risk (continued)*****Credit quality of deposits with financial institutions***

	2025	2024
	Frw '000	Frw '000
AA+	253,015	790,928
A	2,534,045	783,800
B	2,114,339	3,708,417
Loss allowance	(17,838)	(13,405)
Total	4,883,561	5,269,740

Credit quality of government bonds at amortised cost

	2025	2024
	Frw '000	Frw '000
B+	2,367,393	1,708,599
Loss allowance	(8,847)	(7,636)
Total	2,358,546	1,700,963

(e) 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 or 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.

<i>Maturity analysis — 2025</i>	0–3 Months	3–12 Months	After one year	Total
<i>Financial assets</i>				
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
Total	1,890,429	9,353,981	2,371,658	13,616,068
<i>Financial liabilities</i>				
Liability for incurred claims	344,344	990,278	341,917	1,676,539
Lease liability	31,118	104,619	-	135,737
Other payables	313,327	939,982	-	1,253,309
Total	688,789	2,034,879	341,917	3,065,585
Net liquidity gap	1,201,640	7,319,102	2,029,741	10,550,483

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Risk and Capital Management (continued)

(e) Liquidity risk (continued)

<i>Maturity analysis — 2024</i>	0–3 Months	3–12 Months	After one year	Total
Financial assets				
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
Total	619,765	11,201,811	1,708,599	13,530,175
Financial liabilities				
Liability for incurred claims	220,912	564,010	689,236	1,474,158
Lease liability	30,021	108,214	106,285	244,520
Other payables	634,475	1,463,735	-	2,098,210
Total	885,408	2,135,959	795,521	3,816,888
Net liquidity gap	(265,643)	9,065,852	913,078	9,713,287

(f) 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 categorised 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:

	Level 1	Level 2	Level 3
Fair value determined using:	Unadjusted quoted prices in active markets 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 government 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**26. Risk and Capital Management (continued)****(f) Fair value measurement(continued)****Valuation methods and assumptions**

Financial assets at FVOCI, government securities at amortised cost and term deposits approximate their carrying amounts due to the short-term maturities of these instruments. The carrying amounts for the Company's short-term financial assets and liabilities approximate their fair value.

	Carrying amount	Fair value	Level 2 inputs
	Frw '000	Frw '000	Frw '000
31 December 2025			
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
31 December 2024			
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

(g) 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; 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.

General insurance businesses are required to maintain a paid-up capital of Frw 3,000 million and 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.

Solvency margin

	2025	2024
	Frw '000	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
Coverage ratio	281%	266.17%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Ultimate parent company

The ultimate parent company of Mayfair Insurance Company Rwanda Limited is Mayfair Insurance Company Limited, incorporated in Kenya.

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 statement of financial position date for the year ended 31 December 2025 (2024: None).

APPENDICES

Revenue Accounts by Product Line

Revenue account analysis by class of insurance for the years ended 31 December 2025 and 2024 (all amounts in Frw '000).

Revenue Account 2025

Description	Aviation	Engineering	Fire	Liability	Marine	Motor	Personal Accident	Theft	Workmen's Comp	Misc.	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)
Insurance service result	1,125	587,102	809,371	160,654	390,451	146,465	74,418	53,714	5,261	164,882	108,117	2,501,560
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
Net financial result	1	655	(4,988)	(2,785)	(8,726)	64,651	1,612	2,923	932	(182)	209	54,302
Operating and finance expenses	146	301,302	811,366	101,010	266,111	862,335	50,295	41,036	2,650	82,817	79,241	2,598,309
Underwriting profit / (loss)	980	286,455	(6,983)	56,859	115,614	(651,219)	25,735	15,601	3,543	81,883	29,085	(42,447)

Revenue Account 2024

Description	Aviation	Engineering	Fire	Liability	Marine	Motor	Personal Accident	Theft	Workmen's Comp	Misc.	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)
Insurance service result	219	281,195	551,601	123,520	140,832	703,729	82,763	105,834	18,771	227,339	140,056	2,375,859
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
Net financial result	0	(13,718)	(4,795)	(3,788)	(2,306)	2,892	1,884	1,151	118	143	(59)	(18,476)
Operating and finance expenses	61	272,033	545,346	96,799	147,438	730,697	64,311	95,519	10,152	222,481	130,497	2,315,334
Underwriting profit / (loss)	157	(4,555)	1,460	22,932	(8,912)	(24,076)	20,336	11,467	8,737	5,001	9,506	42,055