

OLDMUTUAL

RWANDA 2021 INTEGRATED REPORT



DO GREAT THINGS EVERY DAY

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ABOUT US

Old Mutual Limited Africa

Who we are

Old mutual was established in Cape Town in 1845 as South Africa's first mutual life insurance company, offering financial security in uncertain times. Today, the group has grown into a premium pan-African financial services Group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 14 countries, with listing on five stock exchanges.

We now employ about 30,000 people in our primary operations in South Africa and the Rest of Africa, and a niche business in China.

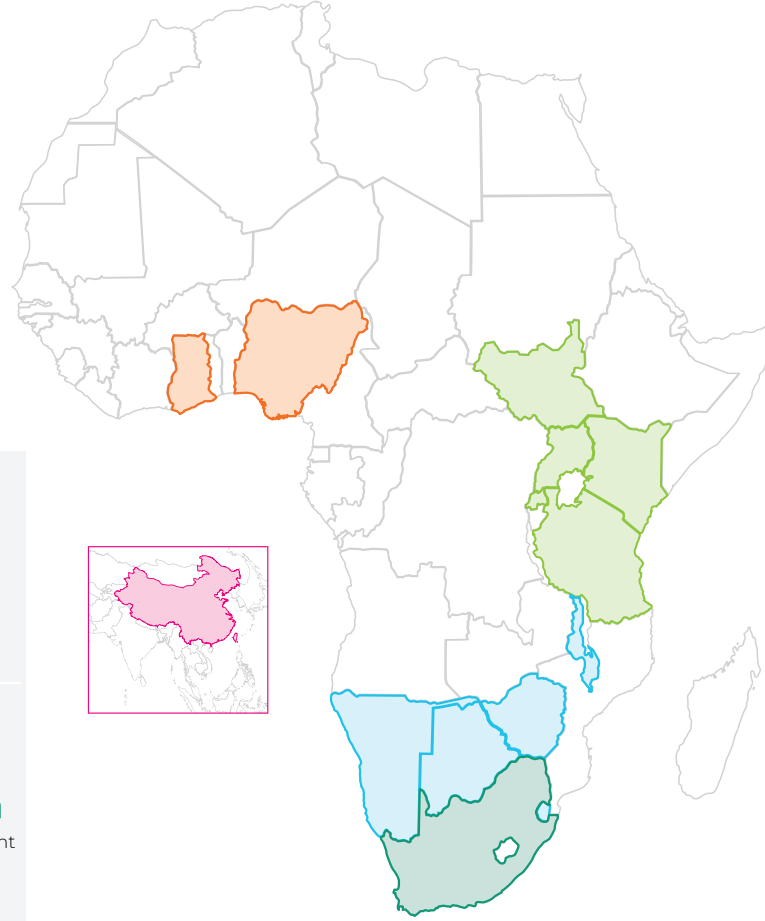
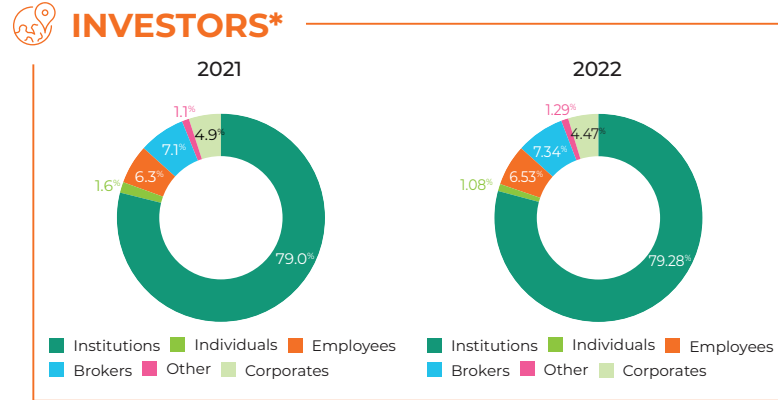
- Africa (South Africa, Namibia, Botswana, Zimbabwe, Kenya, Malawi, Tanzania, Nigeria, Ghana, Uganda, Rwanda, South Sudan and eSwatini)
- Asia (China)



OVERVIEW OF OUR BUSINESS

Old Mutual is a financial services provider anchored in Africa and we have been serving our customers and communities for **177** years.

Operating in **14** countries



| SOUTH AFRICA | |
|--------------|-------------------------------|
| South Africa | Tied Advisers 9,053 |
| | Employees 21,362 |
| | Customers 6.2m |

| SOUTHERN AFRICA | |
|-----------------|-----------------------------|
| Namibia | Tied Advisers 888 |
| Botswana | Employees 2,944 |
| eSwatini | Customers 2.3m |
| Malawi | |
| Zimbabwe | |

| EAST AFRICA | |
|-------------|-------------------------------|
| South Sudan | Tied Advisers 1,391 |
| Kenya | Employees 3,331 |
| Uganda | Customers 1.6m |
| Rwanda | |
| Tanzania | |

| WEST AFRICA | |
|-------------|-----------------------------|
| Ghana | Tied Advisers 316 |
| Nigeria | Employees 844 |
| | Customers 1.8m |

| ASIA | |
|-------|----------------------------|
| China | Tied Advisers 54 |
| | Employees 356 |
| | Customers 0.2m |

| | | |
|--|------------------------------------|--|
| <p>First South African Insurer to join the Net Zero Asset Owner Alliance</p> | <p>Level 1 B-BBEE</p> | <p>12.1 million Customers</p> |
| <p>R150.5bn Total investment in socially inclusive, low carbon and resource efficient investments</p> | <p>28,837 Employees</p> | <p>R1.3 trillion Funds under management</p> |

In China, we provide life insurance and investment solutions to high net worth retail customers through a 50:50 joint venture with the China Energy Capital Holdings, a subsidiary of China Energy (a State Owned Enterprise).

* The data disclosed above is based on a threshold, investors below this threshold are included as "Other". "Individuals" are based retail investors and do not include retail brokers. This data only relates to the United Kingdom and South Africa listings.

OUR PURPOSE: CHAMPIONING MUTUALLY POSITIVE FUTURES EVERY DAY

OUR PURPOSE IS THE REASON WE EXIST

CHAMPIONING

THIS IS HOW WE FULFILL OUR PURPOSE

- Support and advocate for our customers
- A deep knowledge of what matters to stakeholders
- Safeguard our customers' interests while balancing them with those of investors

MUTUALLY POSITIVE FUTURES

- Recognise the power of shared value in a way that benefits all stakeholders
- Enable our customers to achieve their lifetime financial goals
- Invest customer funds responsibly to create a positive future for them, their families, their communities and broader society

EVERY DAY

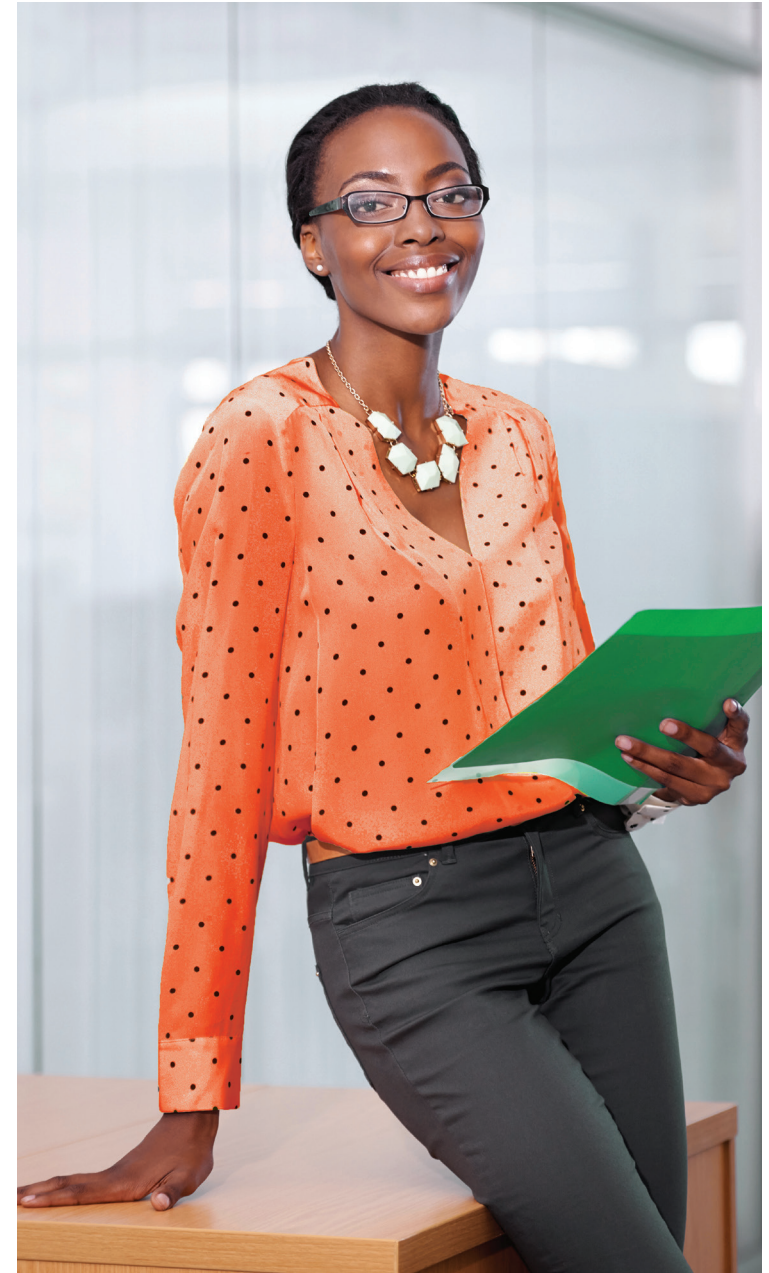
- Focus on continuous and improved engagement with all our stakeholders
- Strive to achieve service excellence by being responsive to our customers needs and preferences
- Guide and support our customers to empower themselves and take control of their finances through financial knowledge

OUR VISION:

To be our customers' 1st choice to sustain, grow & protect their prosperity

OUR CUSTOMER-LED APPROACH

We have re-imagined and strengthened our role and relevance in our customers' lives. Increasingly, customers tell us that what they need from their financial services provider is closer involvement and understanding, and practical, hands-on support. In short, we are cutting through the intimidating clutter of the financial sector, to serve more as coaches and partners, providing tools and motivation, and helping customers take the small steps that lead to great things.



The core of who we are

Old Mutual Insurance Rwanda, (former UAP Insurance Rwanda) is a member of Old Mutual Group in East Africa, which is a subsidiary of Old Mutual Limited (OML) Africa.

The company was established in 2012, with a vision of being Rwanda's revolutionary financial services company, committed to enhance the quality of life by delivering peace of mind and financial freedom.

Old Mutual Insurance Rwanda offers a wide range of general insurance products designed to suit customer's need.

We are committed to enhance the business and quality life of our corporate and individuals customers.

OVERVIEW OF THE BUSINESS



Corporate

- Medical and employee benefits
- Terrorism & sabotage
- Directors & officers' liability
- Agriculture-Livestock and crop
- Aviation, Engineering
- Asset all risk, fire, marine

Retail

- Home insurance
- Travel insurance
- Motor insurance (group & individuals)
- Personal accident (group & individuals)
- Family medical
- Fire & related perils
- Agriculture- Livestock

SME

- Traders Comprehensive
- Motor Insurance
- Personal accident
- Fire & related perils
- Agriculture – Livestock and crop

THE CORE OF WHO WE ARE CONTINUED

OUR VALUES

Our values define our culture and guide us in our daily business interactions with each other, internally, and with all our external stakeholders.



Champion the customer

We understand our customers' needs, and give them the experience we would want.



Agile Innovation that makes a difference

By listening to how our customers react to what we offer, we continuously drive improvement of our interactions, products and services.



Respect for each other and communities we serve

We objectively listen to and value each others' perspectives and views.



Always act with integrity

We lead with truth and honesty, always doing what is right.



The power of diversity and inclusion

We build and work across diverse teams, embracing different strengths and talents.



Trust and accountability

We are responsible and transparent by owning our commitments and promises.

OLD MUTUAL DOING GREAT THINGS EVERY DAY

1. Purpose led technology

- **1.1 million active digital customers**, representing **34% growth**
- **Awarded second and third place** at the **2021 BCX Digital Innovation Awards** for Comma Insure and SMEgo, respectively
- **Finalist in the Modern Identity Champion Award** from Ping Identity for efforts taken to modernise legacy system solutions for existing investments
- Old Mutual won the **CEO's Choice Pinnacle Award EMEA** from Blue Prism for the use of digital workforce in assigning roles in the business
- **Finalist for the Digital Transformation Award** in the IDC Inaugural Best of Future of Digital Innovation
- **>10 000 unique advisers** accessing Old Mutual Protect (OMP) with **5 000 daily visits**
- **> 1.4 million tax certificates** accessed across our digital platforms

2. Engaged employees

- **Ronald Richman**, chief actuary at Old Mutual Insure, awarded the highly acclaimed **Brian Hey prize 2021** for actuarial research (IFoA in the UK)
- **Celiwe Ross**, Human Capital Director, nominated for **Exceptional Chief Human Resources Officer award**
- **Ranked 613** in Forbes' best employers list. The Group was among the top 5 South African companies included in the list

3. Customers' first choice

- **Best fund of the funds over 5 years** awarded to Old Mutual Multi-Managers Long Short Equity FoHF at the HedgeNews Africa Awards **fourth consecutive year**
- **Ranked 98th** in the **2021 Top 100 Global Insurance Brands** and was the only African brand in the Top 100
- **1.3 million rewards** members with > 1 million being customers

4. Caring

- Old Mutual Limited and Old Mutual Insure **retained Level 1 B-BBEE** accreditation for the 2021 verification period
- Old Mutual Investment Group named **Best ESG Responsible Investor – Africa 2021** by Capital Finance International, a UK-based journal

WHY PARTNER WITH OLD MUTUAL?



We are for Africa

We invest time and money on the continent and have supported over 22 million people through face to face and digital platforms to provide financial education programmes.



Innovative advances

We strive to meet the financial needs of our customers in one place, via their platform of choice, in line with their expectations.



Our blood runs green

We are committed to Responsible Investing, with R150.5 billion of our assets under management invested in the green economy*.



We are listed on 5 stock exchanges:

- South Africa
- Malawi
- Namibia
- Zimbabwe
- United Kingdom

OUR STAKEHOLDERS

| WHY ARE THESE STAKEHOLDERS IMPORTANT TO US? | WHAT ARE THEIR CONCERNS/ INTERESTS? | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2021? | CHANNELS USED TO ENGAGE OUR STAKEHOLDERS |
|---|--|---|--|
|  <p>CUSTOMERS</p> <p>Our customers generate revenue, through the purchase of our products and services. We offer our customers quality advice and fairly priced products to help them meet their needs and achieve their financial goals. Our competitive advantage leverages providing our customers with financial education and inclusion initiatives to encourage saving, investing, credit behaviour and retirement readiness.</p> | <ul style="list-style-type: none"> • Innovative and flexible product solutions • Competitive and transparent pricing • Omnichannel experience and ease of use • Fast and efficient customer service • Responsible and appropriate advice • Relief in times of significant financial difficulty | <ul style="list-style-type: none"> • Launched new products and initiatives to enhance our customer proposition • Provided value for money financial solutions to our customers in a responsible way • Enhanced our digital platform channels to drive digital engagement • Used robotics to simplify our processes, giving back time to customers through reduction in servicing and processing time • We continuously send our intermediaries on customer experience training • Embedded customer proposition market conduct framework in our day-to-day operations • Continued to monitor the impact of the pandemic on our customers | <ul style="list-style-type: none"> • Traditional distribution channels (including branches and worksites) • Digital apps and tools • Media channels • Annual and interim reports • Newsletters • E-mails |
|  <p>INTERMEDIARIES</p> <p>Our intermediaries serve as a crucial link between our customers and us. By establishing relationships with new customers, providing appropriate advice based on their needs, and providing a service to them through a combination of face-to-face and digital channels, they optimise and enhance the customer experience. They play a vital role in attracting new business and in retaining existing customers.</p> | <ul style="list-style-type: none"> • Ease of doing business • Digital capabilities that enable engagement sales, and servicing • Product and regulatory training • Fair incentives that reward efforts • To be associated with a brand which delivers on its promises | <ul style="list-style-type: none"> • Improved our digital servicing capabilities, such as tracking tools, and sales and servicing platforms, to drive ease of use of our digital solutions • Provided ongoing training to improve the experience of our intermediaries • Continue to provide market related incentives and rewards to our intermediaries | <ul style="list-style-type: none"> • Branches and worksites • Digital apps and tools • Conferences, roadshows, and bespoke events (Online and face to face) • Annual and interim reports |
|  <p>EMPLOYEES</p> <p>Our people are our greatest competitive advantage, and their welfare is our highest priority. We rely on our highly motivated and engaged employees to put our customers first in everything they do and to act as brand custodians, enabling us to execute on our strategic priorities and generate long-term value for our investors.</p> | <ul style="list-style-type: none"> • Competitive reward structures and benefits • Career growth and development • An inclusive culture that is safe and enabling • Addressing mental health and overall wellness • Flexibility – work/life balance | <ul style="list-style-type: none"> • Benchmarked rewards to Industry and linked to business performance and outcomes • Invested in various employee skills development and mentorship initiatives, including agile and other technical courses • Facilitated culture surveys and workshops, and were responsive by implementing initiatives and programmes that drive inclusivity, diversity and a safe working environment • Conducted multiple wellness initiatives • Piloted a hybrid model that creates flexibility for employees to work from home or the office, to come into effect in 2022 • Continued to monitor the management of the impact of the pandemic on well-being of our employees | <ul style="list-style-type: none"> • Workday, our digital human capital technology solution • Surveys • Internal communications • Management roadshows and town hall meetings • Annual and interim reports |

OUR STAKEHOLDERS

Continued

| WHY ARE THESE STAKEHOLDERS IMPORTANT TO US? | WHAT ARE THEIR CONCERNS/ INTERESTS? | HOW DID WE ADDRESS THEIR CONCERNS/INTERESTS IN 2021? | CHANNELS USED TO ENGAGE OUR STAKEHOLDERS |
|--|--|--|--|
|  <p>INVESTORS</p> <p>We rely on our investors for financial capital so that our operations can compete in their chosen markets and support sustainable growth. Through them, as a financial services provider on the African continent, we are able to contribute positively to our customers and communities.</p> | <ul style="list-style-type: none"> • Long-term sustainable financial returns and distributions • Appropriately capitalised balance sheet to protect against downside shocks • Clear strategic direction and consistency in operational execution • Experienced management team • Transparent reporting and disclosures • Strong financial control environment including corporate governance and ethics frameworks | <ul style="list-style-type: none"> • Cash dividends paid of R3.6 billion • R10.7 billion paid as dividend in species resulting from the Nedbank unbundling • Interest paid to debt holders of R645 million • Improved Return on Net Asset Value to 9% • Headline Earnings per share increased by 41% to 163.8 cents • Maintained a well capitalised balance sheet with 184% in Group solvency ratio • Strong delivery on our operational objectives and the Truly Mutual strategy • Expanded the management team skills and experience with the appointment of Zureida Ebrahim • Maintained transparent reporting and disclosures in line with our reporting standards and internal policies and procedures | <ul style="list-style-type: none"> • Digital apps and tools • Media channels • Annual and interim reports • Annual General Meeting's • Investor roadshows • SENS announcements |
|  <p>COMMUNITIES</p> <p>We recognise the interdependence between ourselves and the communities we serve. We go beyond our operations and focus on contributing to socio-economic development that is impactful and sustainable to uplift our communities.</p> | <ul style="list-style-type: none"> • Financial education and inclusion • Skills development and employment opportunities • Access to supplier development opportunities • Community development • Education support • Access to funding programmes • Climate change activism | <ul style="list-style-type: none"> • Engaged over 22 million individuals through our financial education initiatives • Launched the SMME Accelerator Programme to enable the funding of SMEs through SMEgo • Supported communities through various initiatives, such as investment in primary and secondary school education, skills development initiatives, community rebuilding initiatives, food relief initiatives, and COVID-19 vaccination programmes | <ul style="list-style-type: none"> • Media channels • Annual and interim reports • Community projects and campaigns • Thought leadership podcast series on Responsible lending |
|  <p>REGULATORS</p> | <ul style="list-style-type: none"> • Compliance with regulations • The effectiveness of the control functions • The Board's activities relating to the COVID-19 pandemic and the impact of the July 2021 civil unrest on Old Mutual • Nedbank unbundling • External audit and key external audit findings | <ul style="list-style-type: none"> • Maintained our solvency capital at levels above regulatory requirements • Detailed risk management and controls systems and performed a self-assessment for Actuarial, Risk and the Compliance functions • Held our Group's human capital annual strategy session where succession plans for senior management are reviewed and discussed • Focused more on dealing with future pandemics as part of business as usual, with management taking the requisite steps to risk-proof the business • Provided an updates on the unbundling of the Group's 12.2% stake in Nedbank • Completed the Group's annual audit effectiveness survey, and responded to the key external audit findings of the 2020 financial year-end and the areas identified for improvement | <ul style="list-style-type: none"> • Direct communication including submissions of required report, attendance of meetings |

OLD MUTUAL GROUP EAST AFRICA

The UAP Old Mutual Group now Old Mutual Group East Africa is comprised of Faulu Microfinance Bank, Old Mutual Holdings Limited and its subsidiaries and the Old Mutual Life Assurance and Asset Management Group of Companies, forming one of the largest financial services groups with a growing footprint in East Africa. The Group was formed in 2015 after Old Mutual acquired a controlling stake in Faulu Microfinance Bank in 2014 and UAP Holdings in 2015.

The Group pursues an integrated financial services model that avails to customers a comprehensive range of financial solutions which include Investment, Insurance, Banking and Savings, through a wide and more accessible distribution network.

The Old Mutual Group is part of Old Mutual Limited (OML). As part of OML, Old Mutual group East Africa is able to leverage technology, technical expertise and to offer broad career growth prospects for its employees.

“Our customers can now be assured of holistic solutions and unrivalled convenience to enable them realise their dreams.”

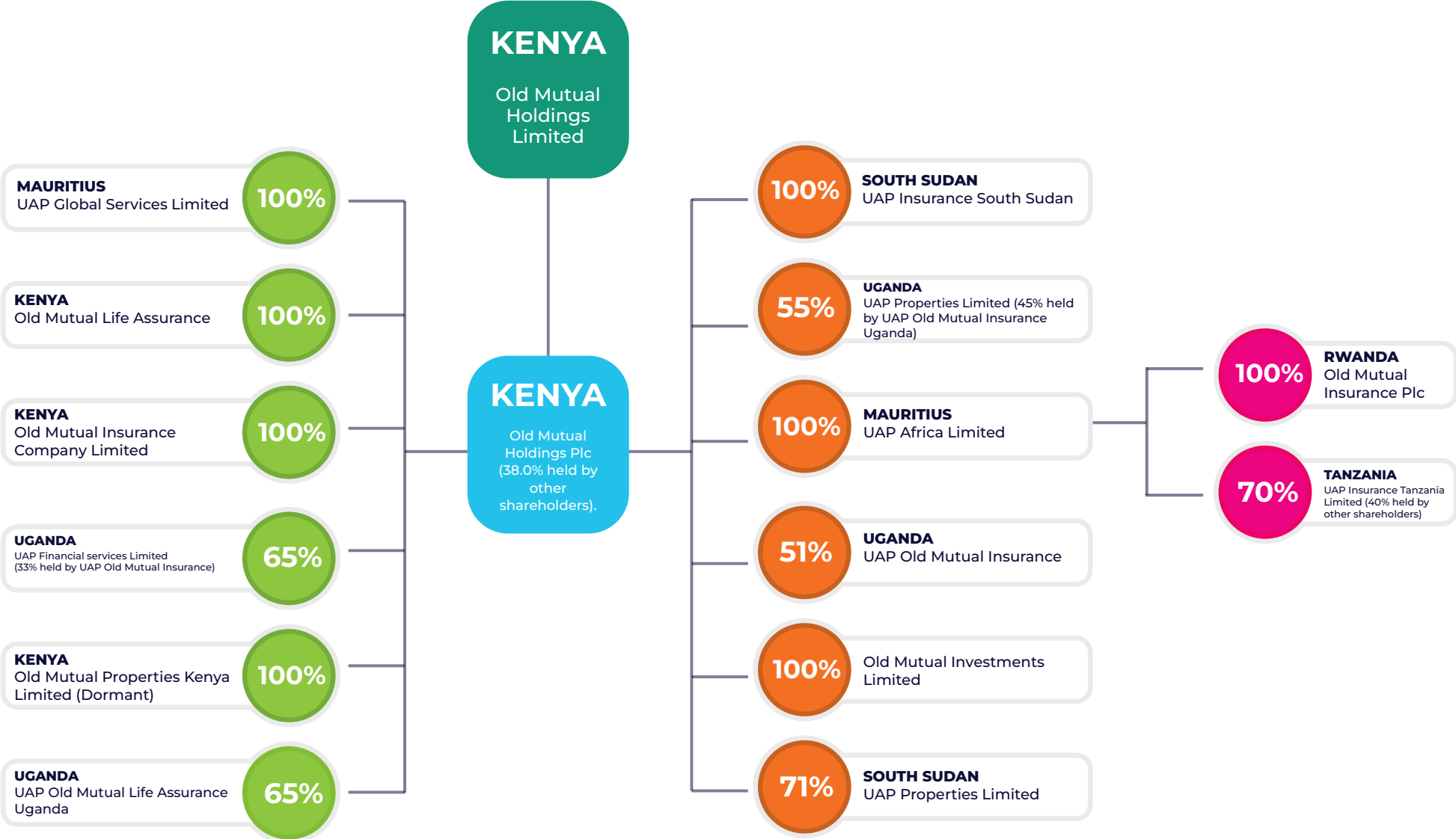
Peter Mwangi

GROUP CEO, OLD MUTUAL GROUP
Old Mutual Holding Limited East Africa

Old Mutual Holdings is an East African Services Group offering Insurance, Investment Management, Property Development & Investments, Security Brokerage and Financial Advisory.

Currently, Old Mutual Holdings has 11 Businesses operating in Kenya, Uganda, South Sudan, Rwanda and Tanzania

ORGANIZATIONAL STRUCTURE



OUR HISTORY

1845

A HUMBLE BEGINNING

Old Mutual is formed in South Africa as a mutual insurance company by John Fairbairn.

1920

UAP ENTERS THE KENYAN MARKET

UAP commences operations in Kenya.

1930

OLD MUTUAL ENTERS THE KENYAN MARKET

Directed from Salisbury until 1930, a branch is opened in Nairobi on Hartridge Street (now Kimathi Street).

1973

GOVERNMENT LEGISLATION AFFECTS OPERATIONS

Old Mutual remains operational but is closed to new business acquisition following government legislation on income which reduces concession on life assurance premiums and increases taxation on domestic life offices.

1978

UAP IS INCORPORATED

The Company incorporates as Provincial Insurance Company of East Africa.

1992

FAULU'S INCEPTION

Faulu is born as a Micro- lending program in Mathare Slums with a

1994

A FRUITFUL MERGER

UAP Insurance Company is formed after the merger of Union Insurance and Provincial Insurance

1996

AXA ACQUIRES UAP

UAP becomes part of AXA group, after AXA acquires UAP in France.

1997

SERVICE EXPANSION

Asset Management and Investment Services are introduced to customers through the Old Mutual Investment Services.

2000

PROUDLY KENYAN

AXA divests and UAP is acquired by Kenyan shareholders.

2002

EXPANSION OF PRIVATE ASSET MANAGEMENT

Old Mutual Asset Management becomes largest private asset Management Company with KES. 30B AUM following acquisition of

2004

EXPLORING NEW TERRITORIES

UAP enters the Uganda Market.

2007

ORGANISING THE BUSINESS

UAP Holdings Limited is formed to consolidate the Group subsidiaries.

2009

MAKING STRIDES IN THE INDUSTRY

Faulu bank converts to a Deposit Taking Microfinance, regulated by CBK and with a license to mobilize deposits from the public.

2010

ASSERTING PRESENCE IN THE FINANCIAL INDUSTRY

Old Mutual acquires a controlling stake in Nairobi stock broker Reliable Securities.

2012

EXPANDING TO RWANDA

Rwanda Business established in 2012.

2013

EXPANDING TO TANZANIA

UAP enters the Tanzanian market, the same year its shares start trading over the counter. Also, Faulu converts into a microfinance Bank.

2014

A SIGNIFICANT ACQUISITION

Recapitalization with KES. 2.7B by Old Mutual, leads to acquisition of a majority 67% stake in Faulu Bank. .

2014

A SIGNIFICANT ACQUISITION

UAP makes a KES. 2B Corporate Bond issue and lists on the Fixed Income Securities market segment of the NSE.

2015

BIGGER & BETTER

Old Mutual acquires a majority 60.66 % controlling stake in UAP Holdings.

2020

CELEBRATING MILESTONES

UAP marks 100 years in East Africa while Old Mutual Marks 175 years in Africa.

2021

ONE UNIFIED BRAND

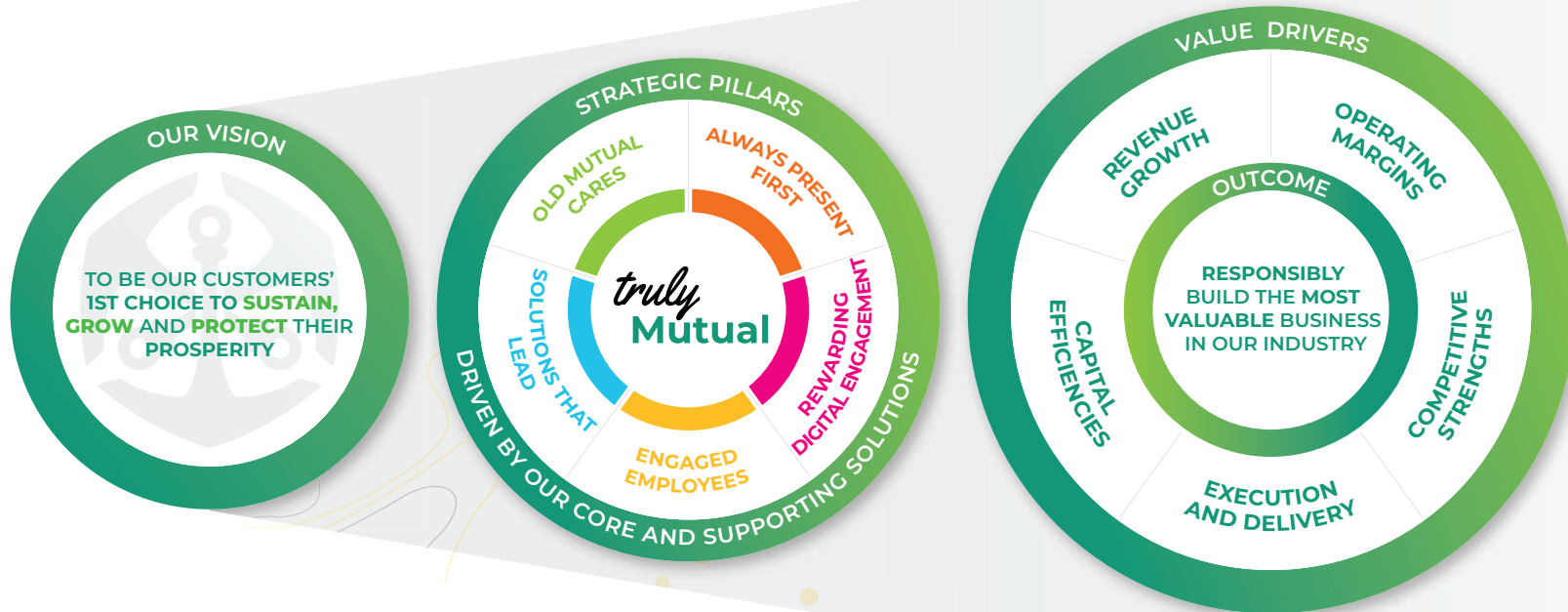
UAP Insurance Rwanda & UAP Old Mutual Kenya rebrands to Old Mutual

OUR STRATEGY OVERVIEW

Our Truly Mutual strategy is aligned with, and inspired by, our purpose of championing mutually positive futures every day.

It builds on a strong foundation of serving customers for 176 years, using our trusted brand and enviable distribution scale. Our strategy has been formulated taking into consideration our operating environment, evolving customer needs, the competitive landscape and rapidly changing technological advancements to ensure that we are able to sustainably deliver long-term value to all our stakeholders.

Our five interconnected strategic pillars aim to drive brand differentiation, provide solutions that meet changing customer needs and enables a seamless transition between face to face and digital journeys. We draw on our talented and engaged employees to achieve these objectives. We remain mindful of our responsibility to society and the important role we play in ensuring positive futures for our customers and communities. In 2021, we formalised five value drivers as an overlay to our strategy. The value drivers create a link between our strategic actions and the value creation impact for the Group. They also help inform the prioritisation of these actions to ensure maximum value creation for customers and shareholders alike. The execution of our Truly Mutual strategy will translate to shared value for all our stakeholders by building the most valuable business in our industry.



We will make it evident that Old Mutual Cares
through solutions and actions that support customers, their families, and communities

We will aim to be Always present first
by ensuring that propositions and advice are available to customers when and how they need them, and through our brand that is always top of mind

We will build Rewarding digital engagement
through considerate and effective use of advice and customer data

Our high performing Engaged employees
will make meaningful contributions to achieve our purpose, vision and values

We will deliver Solutions that lead
in service and performance, for insurance, investments and supporting banking needs

STRATEGY PILLARS

C

OLD MUTUAL CARES

- We demonstrate “care” by executing our Responsible Business framework through our seven focus areas, to deliver shared value and make a positive impact to all of our stakeholders. Our focus areas are: Responsible Investing, Environmental Impact, Financial Education and Inclusion, Education, Skills Development, Diversity and Inclusion and Entrepreneurship.
- To drive financial inclusion and support customers through financial education, we offer them accessible and affordable solutions.

A

ALWAYS PRESENT FIRST

- We will maintain our dominance across our physical channels. We plan on translating our success in these channels with digital solutions that provide a seamless and integrated customer experience across all touch points. Enhancing our physical reach with a digital presence will help us to be “always present”.
- This will be supported by a strong brand presence so that when customers think of financial services, they think of us first.

R

REWARDING DIGITAL ENGAGEMENT

- We will convert our understanding of our customers’ goals and circumstances to provide personalised, regular and meaningful engagement.
- At the centre of this intent is ‘MyOldMutual’, a pan-African digital platform that aims to deliver a seamless and integrated customer experience across our full suite of capabilities. This includes financial advice, financial education, rewards, data driven nudges and a full suite of modular products. This will enable us to offer customers the right solutions at the right time, enabling them to reach their financial goals.

E

ENGAGED EMPLOYEES

- We want all our employees to connect with, and be fully aligned to our purpose, vision and strategy. By creating an environment where employees find a deep sense of connection and meaning in our purpose, we can ensure that they will be passionate about delivering meaningful customer experiences at every point of the customer journey.
- We are also driving the requisite culture shifts to create an agile and execution-focused organisation.

S

SOLUTIONS THAT LEAD

- For solutions where we are already competitive and market leading, we will focus on enhancing their flexibility and ease of use. We will continuously improve solutions and launch innovative and refreshed propositions.
- In this way, customers will be able to meet all their primary financial services needs with us with easy access.

OUR PURPOSE, VISION & VALUES

- To be known as a financial services provider that truly cares for its stakeholders and delivers shared value on the continent.

- To establish brand preference on the African continent through increased depth and scale of face to face and digital distribution. This will enable us to establish and maintain a leading market share.

- To deliver a meaningful and personalised customer experience, that is integrated across digital and face to face mediums through the MyOld Mutual platform.
- To deliver a meaningful and personalised customer experience, that is integrated across digital and face to face mediums through the MyOld Mutual platform.

- Building a compelling employee value proposition that attracts and retains key talent. Creating an engaged workforce that embraces new ways of working to deliver on strategic initiatives and always puts our customers first.

- The delivery of new retail product propositions that will differentiate our protection, savings and income solutions. These propositions will enable key shifts that our customers require including customised solutions and the best advice delivered through a seamless experience.

OUR PURPOSE, VISION & VALUES

- Developing a climate change response that will enable us to make a meaningful impact in Africa.
- Launch new Financial Education and Inclusion initiatives across select African countries.
- To grow our Listed Equity Stewardship offering over asset portfolios not managed by us to at least R20 billion. This will provide an important platform to champion for change on key ESG issues.

- Deliver brand differentiation on the continent by having fewer, but more impactful brand initiatives and through the use of solution-led marketing. We aim to increase brand consideration across Africa by 5%–10%.
- Drive a digital marketing strategy to increase sales and engagement.
- Grow adviser and franchise footprint by at least 3% and 10%, respectively, in South African segments.

- Increase active digital customers by at least 50% through continued enhancement of the MyOldMutual digital platform.
- Increase the Rewards programme member base and the contribution to life sales by at least 40%.
- Integrate a capability that automates the matching of customer goals into MyOldMutual.

- Deliver focused culture interventions to drive execution and agility to achieve an engagement index of over 5.0.
- Continued progression of remote working practices.
- Embedding shifts in reward structures to retain key talent and reward for substantial performance to develop an ownership orientation to create long term stakeholder value.
- Establishing a diverse and inclusive workforce in all countries we operate in.

- Strengthen the Old Mutual Protect proposition through simplified underwriting, further premium flexibility and improved adviser enablement.
- Launch of savings and income proposition alongside the Old Mutual Protect range utilising the same core infrastructure.
- Accelerate growth in transactional banking.

CORPORATE GOVERNANCE STATEMENT

Old Mutual Holdings limited incorporated in Kenya represents the intermediate holding company of Old Mutual Insurance Rwanda Plc. The ultimate parent and ultimate controlling party of the Company is Old Mutual Limited, incorporated in South Africa. Old Mutual Insurance Rwanda Plc is committed to adhering to the highest standards of good corporate governance at all levels of its operations. This commitment is rooted in our core values and beliefs. We have put in place elaborate governance processes which comply with best practice as set out in various codes on Corporate Governance.



MESSAGE FROM THE CHAIRMAN

On behalf of the Board of Directors, I am pleased to present to you 2021 consolidated financial statements of Old Mutual Insurance Rwanda Plc

In November 2021, UAP Insurance Rwanda Ltd changed its name to Old Mutual Insurance Rwanda Plc as part of Old Mutual Limited, an integrated financial service provider comprising Insurance, Banking, and Investment Business with operations in 14 countries across Africa and Asia.

During the rebrand process and under the new name, the company Old Mutual Insurance Plc was able to grow market share and secure the 1st position leading private insurance with about 17% of market share in terms of GWP. Our overall growth stood at 31% as at December 2021 from 14% in 2020 considering our growth written premium. Underwriting results stood at RWF 524 million in 2021 up from RWF 494 million in 2020. The increase in profitability owed to growth in GWP and good returns from investment income in the year ended. Capital adequacy ratio closed at 214% significantly above the minimum prescribed capital adequacy ratio of 130% position.

The company continues to hold a strong financial position, and this is expected to improve as the economic prospects also improve. Our ambition to drive consistent growth and champion our consumers remain our strong motivation to position our business as the most preferred and trusted partner in Rwanda and across our borders. We also take this opportunity to thank the regulators, our stakeholders, the management team, our service providers, and customers for their endless support.

Richard Mugisha
Chairman



Richard Mugisha

Chairman / Independent Non-Executive Director

Master of Laws (LLM): New York University
Bachelor of Laws degree (LLB): University of Lesotho
Bachelor of Arts degree (BA)

Year of Birth: 1969

Date of appointment: 8 July 2013

Experience:

Richard is the Senior Partner of the law firm he founded in 2004. He is a member of the Rwanda Bar Association; a fellow of the Africa Leadership Initiative and the Aspen Global Leadership Network. Richard has been a President of the East African Law Society.

Formerly, he was the Manager, Procurement Policy and Legal affairs at the Rwanda National Tender Board for over five years. In the academic domain, he has taught and conducted tutorials at the University of Rwanda and Kigali Institute of Management, Science and Technology. Richard has led numerous assignments in Energy, Infrastructure & Mining as well as Banking and Finance and has been at the forefront of almost all the privatization deals in Rwanda.



Michael Sallu

Independent Non-Executive Director

MA and BCom degrees
Fellow Certified Public Accountant (FCPA) In Tanzania

Year of Birth: 1965

Date of appointment: 21 November 2017

Experience:

Michael has over 18 years of strategic leadership experience, and over 28 years of auditing and management consulting experience. He joined the UAP Insurance Rwanda Board in December 2017 when he also became the chairman of the Company's Audit, Risk and Compliance Committee. Within the UAP Group, Michael is also the chairman of the Audit, Risk and Compliance Committee of UAP Insurance Tanzania, and he is the deputy Chairman of UAP Insurance Kenya. Outside the UAP group, Michael holds the position of Chairman of Claritas International Consulting Ltd and Ecobank Tanzania Ltd. Up until September 2017, Michael was a partner at PricewaterhouseCoopers (PwC) where he was also a member of the governing board of PwC Africa until 2015, and the Assurance Leader of PwC Tanzania.



John Bosco Birungi

Independent Non-Executive Director

MBA in Finance: Brandeis University in Boston, Massachusetts
BSc in Quantitative Economics: Makerere University, Uganda.

Year of Birth: 1943

Date of appointment: 9 August 2016

Experience:

John is currently the Chairman of the Board of Directors of KCB Bank Rwanda, Chairman of Arrow Capital Ltd and a Director of Elon Construction and VOTTO Ltd. He previously served as the CEO of Crystal Ventures Group for five years and was formerly a Non-Executive Director of MTN Rwanda, Rwanda Investment Group, Ultimate Concepts, Mount Meru Soyco and CIMERWA. Prior to Crystal, he worked in investment banking with Bank of America's Global Industries Group in New York, in commercial banking with Fleet Boston Bank, market research AC Nielsen and in mergers and acquisitions with Trudeau & Trudeau Associates, a boutique M&A firm. John is the founder of the Vision Sports Academy in Rwanda and the President of the Rwanda Table Tennis Federation.



Evangelina Soni Kayinamura
Independent Non-Executive Director

Bachelor's in international political economy: Rutgers University.

Studied Public and Non-Profit Management at New York University's Robert F. Wagner Graduate School for Public Service

Year of Birth: 1972

Date of appointment: 20 July 2018

Experience:

Evangelina is currently at Clarity, an agency offering strategic communications and public relations services, as its founder and Chief Executive Officer. Prior to Clarity, she served with the United Nations headquarters for over ten years in the areas of public affairs, news and media and personnel management in peace operations.



Hebert Kwizera
Independent Non-Executive Director

MBA: Herriot-Watt University (Edinburg Business School) in Scotland

Bachelor of Commerce (Hons) degree majoring in Finance: Makerere University, Uganda

Degree in Computer Systems: Niels Brock Copenhagen Business School in Denmark

Professional certification: Internal audit and Risk Management.

Year of Birth: 1965

Date of appointment: 5th Feb 2019

Experience:

Herbert has been a senior Executive in both private sector companies and the United Nations system. He is currently leading the Internal Control function in Democratic Republic of Congo for UNICEF focusing on fraud risk and general risk and compliance management for UNICEF operations in DRC. Prior to the DRC function, Herbert has had a long career within the United Nations system where he performed various functions within UNICEF ranging from Supply chain Management, planning and monitoring, development of management reporting systems as well as Audit of UNICEF Programmes and Operations in Africa, Asia and the Middle East.

In between the UN functions, Herbert held senior functions in private project financing where he worked with other business people and initiated and managed the commissioning of several private sector investments in Rwanda ranging from an IT company, a quarrying business and in Agribusiness where he led the process of establishing the first Animal Feeds factory in Rwanda and the first fish farming operation within the country. His key responsibilities within these businesses were project development, financing and management especially in the start phases.



Isaac Nzyoka
Executive Director

Doctorate in Business Administration (DBA): Paris School of Business

Year of Birth: 1973

Date of appointment: 5th Feb 2019

Experience:

Isaac is the Executive Head of Digital & Data, Rest of Africa for Old Mutual Limited, the Board Trustee of UAP Old Mutual Foundation as well as a member of the Technology, Digital & Innovation Committee of UAP Holdings PLC. He is also a director, and a member of the audit committee at Telekom Network Malawi (TNM).

Isaac was previously the Group COO for UAP Old Mutual Group and has held various functions in the group including serving as the Group MD for medical business, as well as Acting MD for the General Insurance business. Before joining the group, Isaac was an executive with Aon Kenya, an insurance broker.

Isaac is a past member of the General Insurance Council of The Association of Kenya Insurers (AKI); past convenor of the Medical Committee of AKI and, past chair of the Health Financing Committee of Kenya Healthcare Federation.



Jeff Aludo

Independent Non-Executive Director

Master's in Business Administration (MBA) , Strategic Management: Texas A&M University
Master of Global Management Certificate: Thunderbird University, The Garvin School of International Management
Bachelors of Business administration, International Management: Texas Christian University

Year of Birth: 1973

Date of appointment: 15 May 2020

Experience:

Jeff is an influential strategist and transformation thought leader. His consulting and industry sector experience spans more than 20 years, with senior roles held at leading consulting firms such as Deloitte US and PwC Africa. As a Director leading the Strategy and Operations practice for East Africa and a member of the PwC Africa Business Group, he advised boards, senior executives and champions in top tier institutions in USA, Europe, Asia and Africa.

Jeff is currently the Regional Director, Africa at Intellectap, a strategy advisory and investment firm. Intellectap is part of the Aavishkaar-Intellectap Group which has over \$600 Million in Assets under Management and over 2500 employees in three continents.

Jeff is the Founder of The Aludo Group, an advisory firm that helps clients reimagine futures and develop innovative and sustainable strategies. He is currently co-developing an upcoming virtual content platform, known as Metanoia, which seeks to develop and scale virtual platforms for transformative discussions, change in thinking, direction and impact.



Annie Nibishaka

Managing Director

Currently pursuing an MBA in Leadership Bachelor's degree in Commerce in Management Information System (MIS): Concordia University, Montreal, Canada.

Year of Birth: 1976

Date of appointment: 1st July 2019

Experience:

Annie has over 18 years' experience in management and executive positions, 8 of which in Insurance Industry in Rwanda. She also served the Banking and Telecoms Industries before she joined Insurance.

Her professional path has led to strong ability to drive expertise in the technical, conceptual, and content development of sales driven business corporations. She has built and shaped her leadership skills especially mastered in team motivation and talent management as the market requires innovation and personalized solutions.

Annie is currently the Managing Director UAP Insurance Rwanda where she served for about 8 years in different capacities. She joined as the Head of Marketing & Distribution before she served as Deputy Managing Director.



Nkirote Mworja Njiru

Company Secretary

Degree: LLB University of Reading, LLM Commercial Law, University of Cape Town, Global Executive , Masters, Business Administration, USIU & Columbia Business School, Higher National Diploma in Law (Kenya) and Higher National Diploma in Human Resource Management (Kenya).

Year of Birth: 1973

Date of appointment: 17 November 2014

Experience:

Nkirote is a lawyer and governance practitioner with a passion for sound governance, standard setting and policymaking. She is an advocate of the High Court of Kenya, an active member of the Law Society of Kenya and a fellow of the Institute of Certified Secretaries of Kenya where she served as an elected member of the Council and as the Vice Chairman of the Institute. Besides practising law, Nkirote has worked in various sectors in Kenya including telecommunications, retirement benefits and insurance in a wide range of activities involving setting up governance, legal and operational structures; legal and regulatory risk analysis; legislative and policy development; supervision and capacity building across the East Africa region.

Committees of the Board

Subject to fundamental, strategic, policy and formal matters reserved for its decision, the Board has delegated some of its responsibilities to several standing committees which operate within defined terms of reference laid down by the Board in the Board Charter. The Board has Three standing committees as namely:

01. Audit Committee

The committee meets four times a year or as necessary. Its responsibilities include review and monitor the integrity of the Company's financial statements and the effectiveness of its systems of governance, systems of risk management and internal control, and the effectiveness and objectivity of the internal and External Auditors. The Committee is made up of the three members of the Board of which the majority shall be non-executive Directors. The chairman of the committee should be an independent Director. The Chief Executive Officer, Finance Manager, Internal Audit Manager and the Company Actuary, company Risk and Compliance Officer, company Legal Advisor and Representatives of External Auditors attend all meetings of the committee. Current members of the committee are Michael Sallu (Chairperson), Hebert Kwizera and Jeff Aludo.

02. Risk and Compliance Committee

The committee meets at least 4 times a year or as required. Its responsibilities include review and assess the integrity and effectiveness of the risk management system and ensuring that all material risks are identified, measured, monitored, and reported, review management's recommendations on risk management, particularly in relation to the structure and implementation of the risk strategy, system of governance, risk management system, any internal capital model, the quality and effectiveness of the related internal controls and reporting processes, risk appetite limits and exposures, and the overall risk profile of the business. The Committee is made up of the three members of the Board of which the majority shall be non-executive Directors. The chairman of the committee should be an independent Director. The Chief Executive Officer, Finance Manager, Head of Internal Audit and the Company Actuary, company Risk and Compliance Officer attend all meetings of the committee. Current members of the committee are Hebert Kwizera (Chairperson), Michael Sallu and Annie Nibishaka

03. Claims and Underwriting Strategy Committee

The committee meets at least 4 times a year or as required. Its responsibilities include review, approve, and monitor overall risk tolerance and risk appetite; establishment of policy on fraud detection and prevention; establish company's models and metrics to evaluate the underwritten risk; establish and reviewing claims policies and procedures; review periodically the policies and guidelines governing the Company's insurance underwriting and reinsurance treaties; review on periodic basis, the Company's insurance underwriting and reinsurance processes and procedures; monitor compliance with approved underwriting policies and guidelines; review ceded reinsurance programs and practices; review and approve acquisitions and disposals of lines of business, joint ventures and strategic equity investments; review and assess on a regular basis the policy on technical provisions of an insurer; review on a regular basis pricing's policy and strategy and review and approve re-insurance strategy of re-insurer. The Committee Chairman reports formally to the board on committee proceedings after each meeting on all matters within its duties and responsibilities. The Committee acts independently of management and is authorized by the board to obtain outside legal, accounting, or other independent professional advice and it can secure attendance of outsiders with relevant experience and expertise if it considers this necessary. The Committee is made up of the three members of the Board, with the majority of the members being non-executive directors/members. The Chief Executive Officer, Finance Manager, Chief Operations Officer, Underwriting Manager, Actuarial Executive and claims Manager normally attend all meetings of the committee. Current members of the committee are Jean Bosco Birungi (Chairperson), Isaac Nzyoka and Evangelina Soni Kayinamura.

04. Management Committee

The Board applies a formal process of delegated authority to Management and these responsibilities are attended to by the Management Committee, which convenes formally and maintains records of its proceedings for tracking and accountability. Among its several areas of delegated authority, the Management Committee is responsible for oversight over the assets and liabilities of the Company and for reporting on the same to the Board, at its quarterly meetings. Members of the management committee are Finance Manager, Underwriting and Reinsurance Manager, Health Manager, Business Development Officer, and Claims Manager.



BOARD ATTENDANCE

During the year, the Board convened and held four (4) ordinary meetings. All the meetings convened had sufficient quorum. A review of attendance to meetings by individual members during the period under review indicates that all the members gave sufficient time and attention to the affairs of the Board. The board members gave prior notice of inability to attend and gave meaningful input on the agenda items as appropriate.



| Name and Nationality | Date appointed or resigned | Meetings eligible to Attend | Meetings attended |
|---|----------------------------|-----------------------------|-------------------|
| Mr. Richard Mugisha – Chairman (Independent, Non-Executive) Rwandese | 8 July 2013 | 4 | 4 |
| Ms. Evangelina Soni Kayinamura (Independent, Non-Executive) Rwandese | 7 June 2018 | 4 | 4 |
| Dr. Isaac Nzyoka (Executive) Kenyan | 5 February 2019 | 4 | 3 |
| Mr. Michael SALLU (Independent, Non-Executive), Tanzanian | 21 November 2017 | 4 | 4 |
| Mr. Jeff Aludo (Independent, Non-Executive), Kenyan | 15 May 2020 | 4 | 4 |
| Mr. Hebert Kwizera (Independent, Non-Executive), Rwandese | 5 February 2019 | 4 | 4 |
| Mr. John Bosco Birungi (Independent, Non-Executive), Rwandese | 22 Nov 2016 | 4 | 4 |
| Ms. Annie Nibishaka (ex-Officio non-voting member), Rwandese | 1 October 2021 | 1 | 1 |

APPROACH TO RISK MANAGEMENT

Our Risk Strategy together with our Financial Risk Management Framework informs our Old Mutual Insurance Strategy thereby establishing an integrated link between our business operations, risks, and strategy. Our strategy follows a top-down approach and provides guidance on our risk-taking activities, types of risks we are focused on growing our exposure to, and those requiring reduction to sustainably deliver on our strategic objectives.

The sustainability and growth of our business and the ability to create long term value for all our stakeholders is dependent on our effective risk management system and prudent financial management. This is particularly important because there are many challenges in the external environment and significant change and adaptation within the internal operating environments of our businesses. Our risk management process is designed to continuously monitor both the internal and external environment to identify any conditions or changes which require us to respond to mitigate the related risks and both stay within our risk appetite and stay the course to achieve our business plans and realise our strategic objectives.

The impact of covid-19 on our risk strategy amplified the impacts of risks across the full spectrum of our risk categories, the most significant being insurance, growth, operational, people and technology and information security. Stress tests have shown that our business continues to have a healthy balance sheet and liquidity position relative to targets. This provides a buffer to absorb adverse scenario impacts before growth initiative budgets and planned ordinary dividends would need to be reduced to achieve targeted liquidity and financial soundness positions. Accordingly, no material changes were required to our strategy for short-, medium- or long-term time horizons.

PRINCIPLES UNDERLYING OUR RISK STRATEGY

In developing our risk strategy, we therefore consider the following considerations:

MAINTAINING TRUST WITH STAKEHOLDERS

Our reputation is founded on trust from our customers, employees, shareholders, regulators, and society in general. Trust takes time to be earned and can be undermined very quickly by poor decisions or actions.

A key part of our strategy is therefore based on treating customers fairly, and integrity continues to be one of our core values as we believe it is essential for sustainable long-term growth. To provide our customers with good value for money we will charge them a reasonable price for the risks that we underwrite and the services that we provide, and we recognise the importance of earning competitive investment returns.

When selling new business, we aim to only sell products that meet our customers' needs and which they can afford. Strong sales growth (with good persistency) will be the result of successfully meeting customers' needs, rather than sales growth being an end. Good controls to manage operational risks also contribute to building trust by ensuring good customer service, clear communication, fraud prevention and quick action to fix mistakes.

RECOGNITION OF RISK MITIGATION

We have developed adequate Risk mitigation techniques to help manage risk exposures by passing on the risks third parties in the form of reinsurance for Insurance risks and having strong and well controlled internal processes in place to mitigate other types of risks like operational, business, and strategic risks.

TOLERANCE FOR UNCERTAINTY

We want to avoid taking risks that could threaten our licence to operate and the financial security of Old mutual Insurance Rwanda in adverse financial conditions. However, our business strategy is predicated on strong and responsible growth in market share and profits, and we will not be able to do so successfully if our risk strategy is too prudent.

We recognise that to provide protection for our customers, and to provide them with good value for money, we need to accept certain risks on their behalf. We are therefore willing to accept certain risks, and there are some risk types for which we have a strong preference (as described later in this document). We will however ensure that risk taking is cognisant of the level of financial resources deployed to both general and medical businesses and our appetite for earnings volatility.

RECOGNITION OF THE VALUE OF DIVERSIFICATION

Diversification is key in insurance and is used to avoid excessive risk concentration, so that we do not depend excessively on things going right in one area, and the sustainability of the whole business is not undermined if something goes wrong in one area. Diversification can be applied across a broad-spectrum including risk types, products, geographies, target markets and distribution channels.

OPTIMISE RETURNS ON A RISK-ADJUSTED BASIS

Our aim is to focus on the risks where the expected return more than compensates us for the risk taken, and we want to avoid those risks where the expected return is too low. We will not sell new business at a loss or where the long-term expected return is less than our cost of equity, even if this means giving up potential market share.

We also aim to take on risks that are efficient from a capital perspective as growing more capital efficient risk types will also optimise RoNAV. Thus, there is a strong focus on risk types that result in the lowest marginal increase in capital requirements at a business level.

FOCUS ON RISKS WHERE WE HAVE SKILLS AND A COMPETITIVE ADVANTAGE

Our aim is to focus generally on risks that we understand and can manage well which aligns to our business strategy to focus on winning where we have a competitive advantage and/or strong expertise. However, we recognise that remaining relevant to our clients and maintaining a competitive edge is dependent on continuously innovating our products and services which involves growing in areas where we may not necessarily have a competitive advantage or extensive experience.

The following changes were made to the Risk Strategy in 2021:



OUR THREE LINES OF ASSURANCE

LINE 1 – MANAGEMENT

Responsible for implementing an effective System of Internal Control, as well as risk identification and management on a day to-day basis across the business. It includes specialist and group functions such as tax, legal, information security and quality assurance functions.

LINE 2 - INTERNAL ASSURANCE PROVIDERS

Responsible for the appropriateness and effectiveness of the risk management system, ensuring that policies and procedures are followed, and that reporting is accurate and complete.

LINE 3 - INDEPENDENT ASSURANCE PROVIDERS

Provides assurance (through the internal and external audit) on the effectiveness of governance, risk management and compliance functions, and the system of internal control. It reports to the appropriate Board committee. The combined assurance plan provides a consolidated view of all assurance activities related to the key inherent risks. Focus areas for a specific year are identified by considering the current control environment, assurance work completed in prior years, and assessment of the risk. The risk function is responsible for developing and maintaining the combined assurance framework. The framework was updated in 2021 and changes were approved by the Board. Oversight and support, which also forms a key part of the risk management system, is the responsibility of the risk function with assurance provided by internal audit.

TOP RESIDUAL RISKS

Risks with high or moderate risk preferences are generally regarded as opportunities that we actively seek to create customer and shareholder value. Other risks are regarded as uncertainties that pose financial and non-financial obstacles to meeting business objectives and we seek to effectively manage or avoid these downside risks. The key risks we are exposed to are:

INSURANCE RISKS

We face the risk of non-life claims deviating from expected assumptions and have an adverse impact on earnings/capital. We have developed strong underwriting skills and tools for adequate product pricing and reserving. We also leverage on strong reinsurance programs against adverse claims experiences and on technical underwriting skills to complement our internal capabilities.

Growth Risk

This is the risk that our business performance will be below projections because of negative variances in new business volumes, high lapse rates and adverse expense experience. In response to these risks, we have enhanced our product distribution channel through digitalisation to grow business volume and retention through wider reach and improved customer experience. We have also driven prudent expense management through operational excellence.

Credit Risk

We are exposed to credit risk through premium debtors and counterparty default risk from investments and reinsurance. We partner with re-insurance companies with high credit rating scores and have reduced our exposure to corporate bonds to highly rated institutions. Our premium debtors default risk exposure is managed through primarily applying "cash and carry" on policies and only extending short term credit where the law allows, and the clients have a strong internal credit score.

EXTERNAL RISKS

Failure to anticipate and respond to changes in global, regional, or local external conditions (Competition, changing customer needs, emerging laws, and regulations, environmental, socio-political) could result in Old Mutual Insurance Rwanda inability to deliver value and meet financial projections in each market. Through digitalisation, we are developing solutions that improve our customer value proposition and experience and address current and anticipated customer needs. Emerging risk identification and response is also core to our strategy development and execution.

Operational Risk

Risks of loss due to an inadequate or inefficient workforce, failure of processes or systems and/or the occurrence of external events. Inefficient processes and ineffective controls can result in operational losses and poor customer experience, particularly in general Insurance.

A business process automation roadmap has been developed to improve the control environment of the Old mutual Insurance Rwanda through automation. Secondly, A formal control improvement programme was implemented, tracked, and expected to be closed in 2022. Coaching and training initiatives for employees, Ongoing digitalisation of processes will address efficiencies and controls and prevent operational losses.

MARKET RISK

We are exposed to adverse changes in our balance sheet or on future earnings whether directly or indirectly, due to fluctuations in the market prices of financial instruments we hold and on property valuations. We have a low appetite for market risk and are gradually reducing our exposure to volatile investments in the short to medium term.

BUSINESS RESILIENCE

The inability to minimise the impact of disruptions and maintain business operations at predefined levels due to various internal and external causes. Impacts Operational systems, people and processes are impacted to different degrees depending on the cause of the disruption, with knock-on impacts on reputation and market conduct. below were the key mitigating actions for the above risk:

- Our Crisis Management team continued to manage our response to the COVID-19 crisis and related lockdown levels.
- To ensure uninterrupted service levels, service employees were brought back to the office as part of the hybrid working model.
- In the face of escalating cyber-attacks, the Information Security Programme continues to strengthen its capabilities.
- We continue to digitise our processes.
- There are business continuity strategies in place to deal with the effects of civil unrest.
- We are strengthening our management and risk oversight of key 3rd parties and service providers.



ANNIE NIBISHAKA

MESSAGE FROM THE MANAGING DIRECTOR

INDUSTRY REVIEW

Financial Sector continues to record growth since 2020 with Covid-19 pandemic which has served as an enabler for faster adoption of digital financial services for both Banks and Insurance Companies.

As at end June, the Insurance Sector constituted of 13 private insurers and 2 public insurers with a constant dependency on motor and health products which contributed 63% of total private premium.

Performance report of Insurance sector highlighted Private Insurers' ability to increase premium by 26.2% standing at Rwf 99.5 billion from 78.9 billion registered in June 2020, translating their ability to recover from the pandemic impact in a period a year.

Private Insurers are more than ever motivated to maintain the growth trend adapting to the new normal and adopting digitalization to remain relevant and resilient in a market where insurance is still provided through traditional channels. Part of changes to align to, the sector is implementing new non-motor rates which enabled some organic growth and acquisition of business with premium growth. Future changes with competitor's investment into new product like Prime Insurance and digitization for most of players will transform the market and impact market share.

However, the sector's penetration is still standing at 1.7% keeping high expectation from regulators and consumers on Insurers expansion of their client base, product offering and channels to close the gap. It's in the same framework that 2021 has been a year focused on market change / disruption alignment for Old Mutual Insurance Rwanda, responding to pandemic regulations, safety of work force, business partners and customers, equipment of sales and underwriting force to serve physically and remotely

INVESTMENT MARKET

Our investment strategy is focussed on driving profitability while improving our capital adequacy and liquidity. In 2021, our assets allocation was as per our mandates with Government securities holding 48.9% of our investment portfolio. Deposits accounted for 51.1%. Our interest-bearing assets in total grew by 19.9% from 31 December 2020 to close at Rrw 19.2Bn as at 31 December 2021. We continue to monitor liquidity as a key risk during the recovery from the pandemic while aiming to grow our investible assets even further

OPERATING PERFORMANCE

Gross written premium (GWP) grew by 17% to close at RWF 16.7B compared to RWF 14.2B in 2020. General Insurance excluding Medical grew by 66% to close at RWF 6.1B (2020: RWF 3.7B), while Health segment GWP actual closed at RWF 10.6B (2020: RWF 8.9B). Business acquisition was good due to the overall recovery of the economy from the impact of Covid-19. We closed with a positive underwriting margin mainly due favourable claims experience for the year. Overall business loss ratio increased compared to last year due to the cost increase of spare parts and Drugs.

EXPENSES OF MANAGEMENT

Our Operating expense were below plan by 12% due to close monitoring of our expense and less Impact from Covid-19 than Prior Year.

OUR PEOPLE

We are committed to winning the war on Talent to enhance staff productivity and promoting career development. We have created a culture of high performance through monthly performance reviews and creation of learning groups that encourages specialization and career growth. The business has identified all the critical roles, successors and is currently in the process of implementing interventions for the successors to be ready to step into the roles.

PROSPECTS

Our strategic plan for 2021 – 2023 is anchored mainly on the economic growth ensuring opportunities for new business, and on improvements of the rest of macroeconomic indicators. The company remains committed to fulfilling the needs of clients and enhancing the formidable relationships we have with various stakeholders.

Having managed to improve our market position from 2 to 1 in 2021, and close the year with a completion of business rebrand from UAP insurance to Old Mutual Insurance we look ahead with plenty of optimism to continue our ambitions to be the most trusted and preferred insurance provider for our customers.

APPRECIATION

Finally, I would like to thank all our stakeholders including customers, service providers, and all the staff for their support that enabled us to achieve these good results. I would also like to thank the Board of Directors and the Group Executive Team for their oversight role and guidance to the management throughout the year.

Thank you.

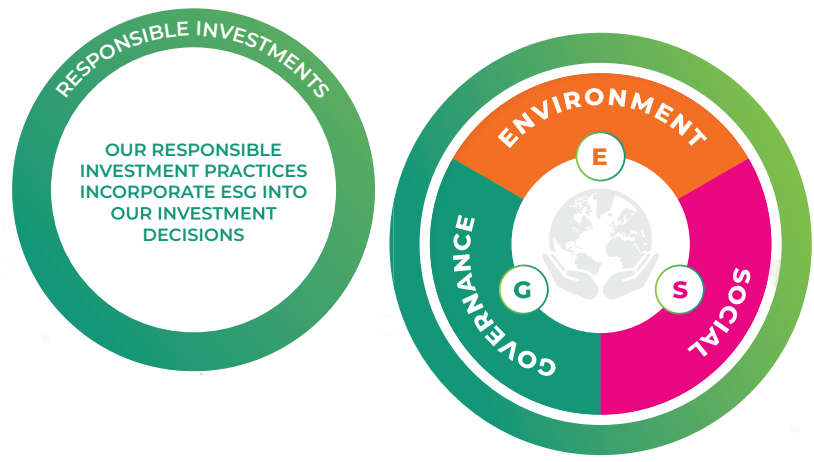
Annie Nibishaka
Managing Director



SUSTAINABILITY REPORT

In 2021 the group developed a Sustainability Framework to articulate how each business sustainability agenda aligns to the group’s vision of ‘becoming our customers’ first choice to sustain, grow and protect their prosperity’. Delivering on this vision enables us to responsibly and sustainably build the most valuable business in our industry. Our Responsible Business focus areas remain relevant and are incorporated into the Sustainability Framework.

OUR SUSTAINABILITY COMMITMENTS



ENVIRONMENT

Our commitment to responsible environmental practices, specifically related to climate change.

We are responding to the challenges posed by climate change by focusing on the decarbonisation of our operational footprint and our proprietary and client investment portfolios.

Refer to the Sustainability Report 2021 Refer to the Climate Report 2021

GOVERNANCE

Our commitment to good corporate governance and ethical leadership.

We believe that good corporate governance is fundamental to the success, sustainability and legitimacy of our Group. Our Group Governance Framework drives top down governance and our organisational ethics and values set the standards for our corporate governance. Our strategy is supported by sound risk management principles and processes. We take our role to contribute to the prevention of financial crime seriously. We believe in transparency in the disclosure of our responsible remuneration policies and practices as well as our approach to the responsible management of our tax affairs.

Refer to the Remuneration Report 2021
 Refer to the Corporate Governance Report 2021
 Refer to the Tax Transparency Report 2021

SOCIAL

Our commitment to our key stakeholders:

CUSTOMERS
 COMMUNITIES
 EMPLOYEES

INTERMEDIARIES
 INVESTORS
 REGULATORS

We believe the key to addressing poverty, inequality and unemployment over the long term lies in education and job creation.

We contribute to education, skills development, and entrepreneurship initiatives across all the countries in which we operate. Our financial education and inclusion initiatives are aimed at increasing financial literacy in our **communities**, to shift financial behaviour towards economic transformation and inclusion. Our core savings and protection solutions as well as our ongoing efforts to deliver sound advice to our customers, are at the centre of this approach.

Refer to the Sustainability Report 2021

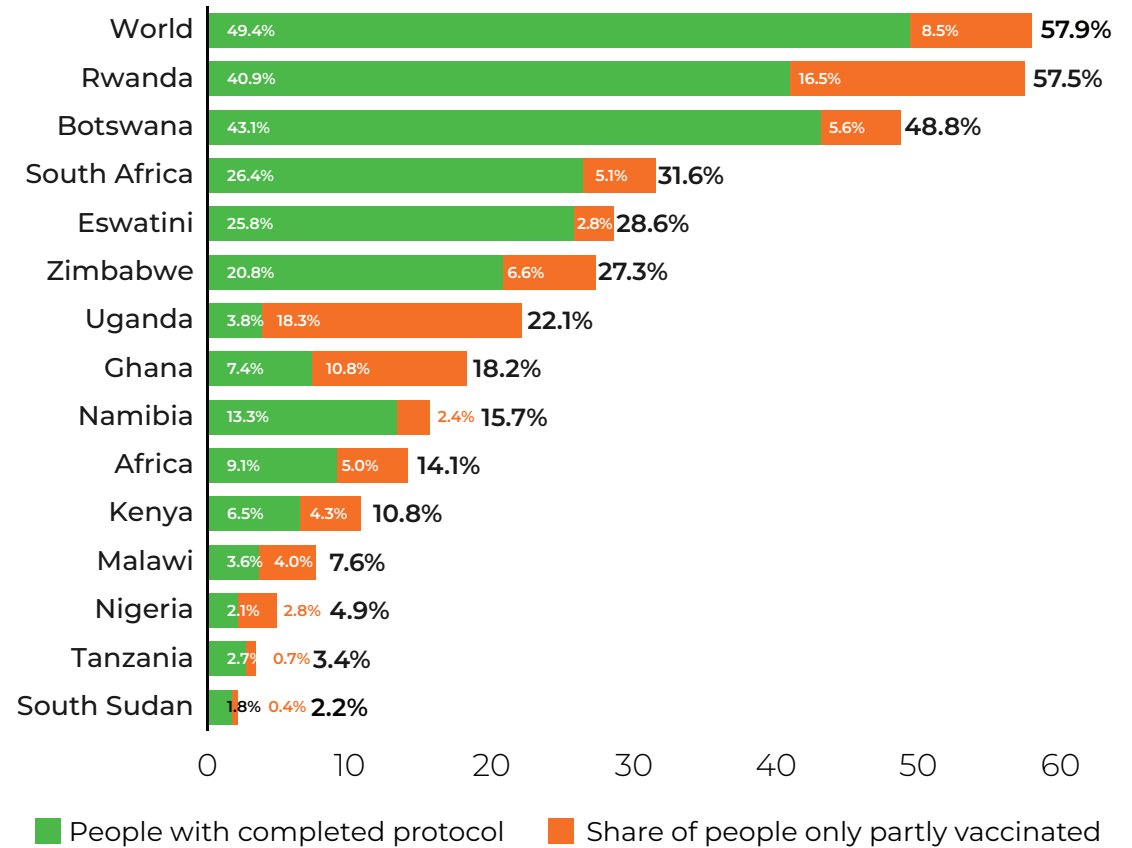


Through Turi Kumwe Campaign, the business has create an online portal aiming to educate the population on COVID-19 vaccination as a support of the nation initiatives to mitigate and fight the high contamination rate of the pandemic.

The Old Mutual group championed various programs in their respective countries in response to our approach of supporting the communities we operate in.



People vaccinated against COVID-19, Dec 31, 2021



Source: Official data collated by Our World in Data

Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2 dose protocol, are ignored to maximize comparability between countries.

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2021, which disclose the state of affairs of Old Mutual Insurance Rwanda Plc (the "Company").

INCORPORATION

Old Mutual Insurance Rwanda Plc is incorporated as a limited liability company licensed and domiciled in Rwanda. The Company's registered office is:

P.O BOX 6644
Kigali, Rwanda
7thFloor, Grand Pension Plaza

PRINCIPAL ACTIVITIES

The company underwrites all classes of non-life insurance risks as defined by Insurance Law No. 52/2008 of 10/09/ 2008 governing the organization of insurance business in Rwanda.

RESULTS AND DIVIDEND

The profit for the year of FRW 1,627,145,000 (2020 profit: FRW 1,447,108,000) has been added to the retained earnings. The Directors do not recommend payment of a dividend for the year ended 31 December 2021 (2020: Nil).

AUDITOR

Ernst & Young Rwanda Limited were as appointed as auditors for the current year audit in line with regulatory requirements in Rwanda

BY ORDER OF THE BOARD



.....
Mrs. Nannette Miingi Company
Secretary

2022

DIRECTORS

The directors who held office during the year and as at the date of this report were:

| | |
|--------------------------------|------------------------------|
| Mr. Richard Mugisha – Chairman | Independent, Non-Executive |
| Ms. Evangelina Soni Kayinamura | Independent, Non-Executive |
| Dr. Isaac Nzyoka | Independent, Executive |
| Mr. Michael SALLU | Independent, Non-Executive |
| Mr. Jeff Aludo | Independent, Non-Executive |
| Mr. Hebert Kwizera | Independent, Non-Executive |
| Mr. John Bosco Birungi | Independent, Non-Executive |
| Ms. Annie Nibishaka | ex-Officio non-voting member |



Board Charter and Work Plan

The Board Charter contains provisions that ensure that the Board observes best practice in corporate governance and contains among other things; the size, role and functions of the Board; appointments, induction and tenure of directors and Board performance evaluation and remuneration of directors. The Work Plan has a formal schedule of matters specifically reserved for the Board's attention to ensure it exercises full control over all significant matters. It sets out the schedule of meetings of the Board and its committees and the main business to be dealt with at those meetings. Additional meetings are scheduled as and when the need arises.

Board Meetings

The full Board meets at least four times a year. The Board deals with all significant matters including strategic direction of the Company; ensuring competent management of the business; internal control; compliance with laws and regulations and reporting performance to shareholders. On a quarterly basis, the Board reviews the business operational plan to monitor compliance with the strategic plan while at the 4th quarter of each year, a strategic retreat is undertaken to review business performance and forecast for the coming year.

Information to directors

The directors are given appropriate and timely information on key activities of the business on a regular basis and on request to carry out their roles. Specifically, the directors are provided with all available information in respect of items to be discussed at a meeting of the Board or Board Committee prior to the meeting. They may also seek independent professional advice, at the Company's expense, concerning the affairs of the Company in consultation with the Chief Executive Officer and the Company Secretary.

Separation of role of Chairman and Chief Executive Officer

The Chairman is responsible for managing the Board and providing leadership to the Company while the Chief Executive Officer is responsible to the Board for running the business in accordance with instructions given by the Board. The Chief Executive Officer directs the implementation of Board decisions and instructions and the general management of the business with the assistance of the management team.



Conflicts of interest

The directors of the company are under a fiduciary duty to act honestly and in the best interests of the Company. Old Mutual Insurance Rwanda Plc has put in place a policy to ensure that directors avoid putting themselves in positions where their self interest conflicts with their duty to act in the best interests of the Company. This policy provides that directors, their immediate families and companies where directors have interests must not transact business with Old Mutual Insurance Rwanda Plc without express approval from the Board. The policy further requires that all directors complete an annual declaration of any conflict of interests. Any such business transacted with Old Mutual Insurance Rwanda Plc must be at arm's length, fully disclosed to the Board which must consider and approve it. A director must refrain from discussion or voting on matters of potential conflict of interests.

Statement of Directors' Responsibilities

The Company's directors are responsible for the preparation of financial statements that give a true and fair view of Old Mutual Insurance Rwanda Plc financial statements comprising the statement of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes set out on pages 12 - 70, in accordance with International Financial Reporting Standards and in the manner required by the Law No. N° 007/2021 of 05/02/2021 governing companies.

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.

The directors have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approval of financial statements

The financial statements of the company were approved for issue by the board directors on 24th March 2022 and signed on its behalf by:



Chairman



Managing Director


Director

Director

Statement of Corporate Governance (continued)

Risk management

The Board recognizes that managing risks to ensure an optimal mix between risk and return is an integral part of achieving corporate goals. The board has therefore established Risk and Compliance Committee with the responsibility of overseeing the key risks and monitoring the implementation of risk mitigation actions to ensure the risk of failure to achieve business objectives is appropriately mitigated. In addition, the Company Risk and Compliance Department has been operational and has taken full time management of all matters touching on risk.

Internal Controls

The Board has a collective responsibility for the Company's systems of internal control and for reviewing their effectiveness. In this respect the Board relies on Management to establish and manage appropriate systems and controls in the running of the business of the Company and providing assurance to the Board that they have done so. The system of internal control in place has defined procedures and operational and financial controls to ensure that assets are safeguarded, transactions are authorized and recorded properly, and that material errors and irregularities are either prevented or detected within a reasonable period of time. In reviewing the effectiveness of the systems of internal control and risk management, the Board takes into account the results of all the work carried out to audit and review the activities of the Company by both external and internal assurance providers. The Board has reviewed the Company's system of internal control and is satisfied that the system is effective.

Conduct of Business and Performance Reporting

The Company's business is conducted in accordance with a carefully formulated strategy, annual business plans and budgets which set out very clear objectives. Roles and responsibilities have been clearly defined with approved authority being delegated. Performance against the objectives is reviewed and discussed monthly and quarterly by the management team. Management prepares a quarterly business review report which is presented to the Board. In this way performance trends, forecasts as well as actual performance against budgets and prior periods are closely monitored.

Compliance with Laws

The Board is satisfied that the Company has, to the best of their knowledge, complied with all applicable laws and conducted its business affairs in accordance with the law. To the knowledge of the Board, no director, employee or agent of the Company acted or committed any indictable offence under the Anti-Corruption laws in conducting the business of the Company or was involved or used as a conduit for money laundering or any other activity incompatible with the relevant laws.

Accountability, Audit and Shareholder Relations

The Board recognizes its responsibility to present a balanced and understandable assessment of the Company's financial position and prospects. The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Law Governing Companies and are audited in accordance with International Auditing Standards. The directors recognize and have confirmed their responsibility over the financial statements and have provided other information in this annual report that they consider useful to shareholders and other stakeholders. All shareholders are invited to the Annual General Meeting and are free to put questions to the Board and the auditors on matters concerning operations and financial statements of the Company.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OLD MUTUAL INSURANCE RWANDA PLC REPORT ON THE AUDITED FINANCIAL STATEMENTS REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OLD MUTUAL INSURANCE RWANDA PLC REPORT ON THE AUDITED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Old Mutual Insurance Rwanda Plc, which comprise of the statement of financial position as at 31 December 2021, the statement of profit or loss, statement of changes in equity, and statement of cash flows for the year ended 31 December 2021 and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 70. In our opinion, the financial statements present fairly, in all material respects, the financial position of Old Mutual Insurance Rwanda Plc as at 31 December 2021, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and the requirements of Law No. 007/2021 of 05/02/2021 Governing Companies.

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Old Mutual Insurance Rwanda Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report as required by Law No. 007/2021 of 05/02/2021 Governing Companies. The other information 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 an audit opinion or 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OLD MUTUAL INSURANCE RWANDA PLC

REPORT ON THE AUDITED FINANCIAL STATEMENTS

KEY AUDIT MATTER

| Key audit matter | Audit procedures to address key audit matter |
|--|--|
| <p>Determination of insurance contract liabilities</p> <p>Insurance contract liabilities included in note 26 of the financial statements are made up the outstanding claims provision (reported claims and incurred but not reported (“IBNR”) claims) and the provision for unearned premium. These were considered a matter of most significance to the current year audit for the following reasons:</p> <ul style="list-style-type: none"> • The estimation of the provisions involves significant judgement given the inherent uncertainty in estimating expected future outflows in relation to claims incurred. • The valuation of these liabilities relies on the accuracy of claims data and the assumption that future claims development will follow a similar pattern to past claims development experience. • The magnitude of the insurance contract liabilities balance (FRW 11,727,836,000) in relation to total liabilities of (FRW 17,637,567.These insurance contract liabilities involves significant judgment over uncertain future outcomes, mainly the ultimate total settlement value of the insurance contract. | <p>Our testing approach included amongst others, the following procedures with the assistance of our actuarial specialists:</p> <ul style="list-style-type: none"> • Evaluating and testing the controls around the claim reserving and settlement process; • Evaluating managements’ review process of the provisions; • Comparing, for a sample of claims, the amounts as recorded in the claims systems to source documents; • Reviewing the reconciliation between the claims data and that used to calculate the reserves; • Considering the methodology and assumptions used by the Appointed Actuary and management in the estimation of reserves and assessing the methodologies applied against general accepted actuarial approaches; and <p>Back testing the robustness of the reserving process by performing an actual versus expected analysis on prior year’s reserves to assess this for any surpluses or shortfalls.</p> |

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED) TO THE MEMBERS OF OLD MUTUAL INSURANCE RWANDA PLC

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Law No. 007/2021 of 05/02/2021 Governing Companies, and 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.

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. Those charged with governance are responsible for overseeing the Company's financial reporting processes.

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.

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED) TO THE MEMBERS OF OLD MUTUAL INSURANCE RWANDA PLC

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Law No. 007/2021 of 05/02/2021 Governing Companies we report to you, based on our audit, that:

- i. We have no relationship, interests and debts in the company;
- ii. 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;
- iii. In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books;
- iv. We have communicated to you through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regard to those matters.

Stephen K Sang

For and on behalf of Ernst & Young Rwanda Limited

| Statement of comprehensive income | Note(s) | 2021 FRW'000 | 2021 FRW'000 |
|--|---------|---------------------|---------------------|
| Gross written premium | 5 (a) | 16,727,173 | 12,676,098 |
| Change in unearned premium | 5 (a) | (1,658,646) | (680,388) |
| Gross earned premiums | 5(a) | 15,068,527 | 11,995,711 |
| Premiums ceded to reinsurers | 5(b) | (4,325,388) | (2,829,903) |
| Net earned premiums | | 10,743,139 | 9,165,808 |
| Commissions earned | 5(c) | 1,587,494 | 940,974 |
| Investment income | 6 | 1,839,198 | 1,485,253 |
| Foreign exchange losses | 7 | (85,868) | (126,307) |
| Total income | | 14,083,963 | 11,465,727 |
| Gross benefits and claims Paid ¹ | 8(a) | (7,961,924) | (6,215,386) |
| Claims ceded to reinsurers ¹ | 8(b) | 1,709,154 | 1,347,168 |
| Gross change in outstanding contract liabilities ¹ | 8(c) | (1,724,613) | (513,149) |
| Change in contract liabilities ceded to reinsurers ¹ | 8(c) | 348,885 | 20,414 |
| Net insurance claims incurred | | (7,628,498) | (5,360,953) |
| Commissions and deferred acquisitions costs | 5(d) | (1,789,817) | (1,412,825) |
| Operating and other expenses | 9 | (2,486,873) | (2,377,224) |
| Net impairment reversals/(losses) on insurance contracts assets | 32 | 122,826 | (303,940) |
| Lease interest expense | 25 | (50,931) | (72,433) |
| Net expected credit loss reversals/(losses) on financial assets | 33 | 25,795 | (83,746) |
| Total expenses | | (11,807,498) | (9,611,121) |
| Profit before income tax | | 2,276,465 | 1,854,606 |
| Income tax expense | | (649,320) | (407,498) |
| Profit after income tax expense | 11 | 1,627,145 | 1,447,108 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | FRW'000 | |
| Changes in fair value of assets at fair value through other comprehensive income | 17 | 500 | (1,250) |
| Total comprehensive income | | 1,627,645 | 1,445,858 |

¹The company has disaggregated the presentation within the current financial reporting period of the changes in contract liabilities ceded to reinsurers line item of Frw 20,414,000 previously presented within the claims ceded to reinsurers line item within the prior year, as well as disaggregated the gross changes in outstanding contract liabilities line item of Frw 513,149,000 previously presented within gross benefits and claims paid line item within the prior year. These reclassifications had no impact on any reported totals or on any amounts presented in the statement of financial position.

| Statement of financial position | Note(s) | 2021 FRW'000 | 2021 FRW'000 |
|---|---------|-------------------|-------------------|
| Assets | | | |
| Cash and bank balances | 13 | 1,985,616 | 1,614,096 |
| Deposits with financial institutions | 14 | 9,811,254 | 7,346,023 |
| Government securities at amortized cost | 15 | 9,382,725 | 8,666,113 |
| Equity investments at Fair Value through other comprehensive income | 17 | 12,500 | 12,000 |
| Deferred acquisition costs | 18 | 236,483 | 169,099 |
| Other assets | 19 | 124,424 | 61,454 |
| Receivables arising out of reinsurance arrangements | 20 | 243,045 | 278,556 |
| Receivables arising out of direct insurance arrangements | 21 | 550,064 | 499,735 |
| Withholding tax recoverable | 16 | 212,461 | 329,255 |
| Reinsurers' share of insurance liabilities | 22 | 3,495,109 | 2,046,178 |
| Deferred income tax asset | 29 | 270,258 | 162,314 |
| Equipment and motor vehicles | 23 | 54,472 | 65,621 |
| Intangible assets | 24 | 3,862 | 8,435 |
| Right-of-use assets | 25 | 264,964 | 379,038 |
| Total assets | | 26,647,237 | 21,637,917 |
| Total liabilities | | | |
| Insurance contract liabilities | 26 | 11,727,836 | 8,344,577 |
| Creditors arising from reinsurance arrangements | 34 | 1,655,550 | 722,210 |
| Lease liabilities | 25 | 338,841 | 422,595 |
| Current income tax payable | 11 | 329,786 | 569,812 |
| Other payables | 28 | 3,585,554 | 4,196,698 |
| Equity | | | |
| Share capital | 12 | 9,177,614 | 9,177,614 |
| Fair Value Reserve | | 3,975 | 3,475 |
| Accumulated losses | | (171,919) | (1,799,064) |
| Shareholders' funds | | 9,009,670 | 7,382,025 |
| Shareholders' funds and liabilities | | 26,647,237 | 21,637,917 |

| Statement of Changes in Equity | Share Capital | Fair value reserve | Accumulated losses | Total |
|---|------------------|--------------------|--------------------|------------------|
| | FRW '000 | FRW '000 | | FRW '000 |
| At start of the year | 9,177,614 | 4,725 | (3,246,172) | 5,936,167 |
| Total comprehensive income | — | — | 1,447,108 | 1,447,108 |
| Profit for the year | — | (1,250) | - | (1,250) |
| Other comprehensive income | | | | |
| Total comprehensive income for the year | | (1,250) | 1,447,108 | 1,445,858 |
| At 31 December 2020 | 9,177,614 | 3,475 | (1,799,064) | 7,382,025 |
| | FRW '000 | FRW '000 | | |
| At start of the year | 9,177,614 | 3,475 | (1,799,064) | 7,382,025 |
| Total comprehensive income | — | — | 1,627,145 | 1,627,145 |
| Profit for the year | — | 500 | - | 500 |
| Other comprehensive income | | | | |
| Total comprehensive income for the year | | 500 | 1,627,145 | 1,627,645 |
| At 31 December 2021 | 9,177,614 | 3,975 | (171,919) | 9,009,670 |

Statement of Cash Flows

| | Note(s) | 2021 FRW'000 | 2021 FRW'000 |
|---|---------|-----------------|-----------------|
| Cash generated from operations | 3 | 2,844,146 | 2,532,822 |
| Tax paid | 1 | (997,290) | (76,652) |
| Net cashflow from operating activities | 11 | 1,886,856 | 2,456,170 |
| Cash flow from investing activities: | | | |
| Purchase of property and equipment | 2 | (24,000) | |
| Interest received | 3 | 1,839,198 | |
| Investment in deposits with financial institutions | 6 | (8,656,457) | |
| Maturity of deposits with financial institutions 2 | 1 | 6,165,068 | (28,035) |
| Maturity of Government securities ² | 4 | 2,461,971 | 1,485,253 |
| Investment in government securities ² | 1 | (3,126,631) | (7,451,057) |
| Net cashflow from investing activities | 4 | (1,340,851) | 6,614,080 |
| Cashflow from financing activities: | | | |
| Principal repayment of lease liabilities ³ | 5 | (74,140) | (2,298,763) |
| Repayment of finance cost on lease liabilities | 1 | (50,931) | (1,492,281) |
| Net cashflow from financing activities | 5 | (125,071) | |
| Increase in cash and cash equivalents | | 420,934 | |
| Net foreign exchange differences | | (49,414) | |
| Cash and cash equivalents at 1 January | | 1,614,096 | |
| Cash and cash equivalents at 31 December | | 1,985,616 | (1,614,096) |

²The company has within the current financial reporting period disaggregated the cash inflows and cash outflows from the Investment in deposits with financial institutions and Investment in government securities to be presented on a gross basis which was incorrectly presented on an aggregated basis in the prior financial reporting period. These reclassifications had no impact on any reported totals or on any amounts presented in the statement of financial position.

³The repayment of finance cost on lease liabilities of Frw 72,433,000, as well as the principal repayment of lease liabilities of Frw 122,908,000 was incorrectly presented on an aggregated basis in the prior year as Lease repayments during the year, but has correctly been disaggregated and presented separately within the current financial reporting period. This reclassifications had no impact on any reported totals or on any amounts presented in the statement of financial position.

⁴The company has in the current financial reporting period disaggregated the presentation of the net foreign exchange difference line item of Frw 135,388,000 from the increase in cash and cash equivalents line item which was incorrectly presented on an aggregated basis within the prior financial reporting period. This reclassifications had no impact on any reported totals or on any amounts presented in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Old Mutual Insurance Rwanda Plc (Formerly UAP Insurance Rwanda Ltd) underwrites short-term insurance business (non-life) risks. The company is a limited liability company incorporated and domiciled in Rwanda. The registered office is:

Old Mutual Insurance Rwanda Plc
7th Floor, Grand Pension Plaza
P.O. Box 6644
Kigali, Rwanda

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the certain financial assets carried at

fair value through other comprehensive income.

b) Changes in Accounting Policies

(i) New and amended standards and interpretations

The Company has applied for the first-time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Although these new standards and amendments applied for the first time in 2021, they did not have a material impact on the annual financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

2. Summary of significant accounting policies (continued)

b) Changes in Accounting Policies

(i) New and amended standards and interpretations (continued)

Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an inter-bank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendment include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions – Amendment to IFRS 16

Effective for annual periods beginning on or after 1 June 2020.

Key requirements

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related

rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
- There is no substantive change to other terms and conditions of the lease. Transition Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied. The information required by paragraph 28(f) of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed. A lessee will apply the amendment for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2020.

2. Summary of significant accounting policies (continued)

b) Changes in Accounting Policies

(i) New and amended standards and interpretations (continued)

Covid-19-Related Rent Concessions – Amendment to IFRS 16(continued)

Impact

The company applied the amendment from 1 January 2021. The amendment to IFRS 16 provides relief to the Company for accounting for rent concessions from lessors arising from the covid-19 pandemic. This amendment did not have any impact on the Company as the Company has not received Covid-19-related rent concessions, but however plans to apply the practical expedient if and where relevant.

ii) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope

exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, Re-measured every reporting period (the fulfilment cash flows)

2. Summary of significant accounting policies (continued)

ii) Standards issued but not yet effective(continued)

IFRS 17 Insurance Contracts (continued)

- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cashflows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period).

- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non- distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 on or before the date it first applies IFRS 17. The company is internally assessing the main features of the new accounting model and they are planning to elect the premium allocation model and it will consistently adopt the changes together with the Group as the plan is to adopt on the effective date. The company is expecting to use the fully retrospective approach upon the adoption of IFRS 17. Therefore, the

Company is currently still assessing the impact the adoption of IFRS 17 will have on current practice and financial reporting.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 (the IASB tentatively decided to defer the effective date of the amendment to no earlier than 1 January 2024) and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

2. Summary of significant accounting policies (continued)

ii) Standards issued but not yet effective(continued)

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

In 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

The Company will adopt the amendment from 1 January 2022. This amendment is not expected to have any impact on the Company as the Company has not received Covid-19-related rent concessions, but however plans to apply the practical expedient if it becomes applicable within allowed period of application.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a material impact on the Company

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

2. Summary of significant accounting policies (continued)

ii) Standards issued but not yet effective (continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16(continued)

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Company.

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

2. Summary of significant accounting policies (continued)

ii) Standards issued but not yet effective(Continued)

Definition of Accounting Estimates - Amendments to IAS 8 (continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently assessing the

impact of the amendments to determine the impact they will have on the Company’s accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 Effective for annual periods beginning on or after 1 January 2023

Key requirements

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Determining the tax base of assets and liabilities

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company’s financial reporting.

2. Summary of Significant Accounting Policies

c) Insurance Contracts

i) Classification

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

Insurance contracts issued by the Company are classified as general insurance business based on the duration of the risk insured. Classes of general insurance include Aviation insurance, Engineering insurance, Fire insurance - domestic risks, Fire insurance - industrial and commercial risks, Liability insurance, Marine Insurance, Motor insurance - private vehicles, Motor insurance - commercial vehicles, Personal accident insurance, Theft insurance, Workmen's Compensation and Employer's Liability insurance and Miscellaneous insurance (i.e. class of business not included under those listed above).

Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third party risks but exclusive of transit risks.

Personal Accident insurance business means the business of affecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or of an accident of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence

of disease or of disease of a specified class.

Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the fire insurance business.

Short term business is normally of single year duration.

Recognition and measurement

i. Premium income

Premium income is recognised on assumption of risks, and includes premium received and estimates of premiums due but not yet received less unearned premium. Unearned premiums represent the proportion of the premiums written in periods up to the accounting date that relates to the unexpired terms of policies in force at the financial reporting date, and is computed using the 365ths method. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

ii. Gross benefits and claims Paid

Gross claims and benefits paid comprise of claims and benefits paid in the year. Claims and benefits paid represent all payments made during the year, whether arising from events during that or earlier years.

2. Summary of significant accounting policies (continued)

c) Insurance Contracts (continued)

iii. Insurance contracts Liabilities.

Insurance contract liabilities include the outstanding claims provision and the provision for unearned premium. The outstanding claims provision is based on the estimated ultimate cost of all claims including those Incurred but Not Reported (IBNR) at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. Changes in insurance contract liabilities are accounted for and presented in the gross changes in outstanding contract liabilities line item on the statement of comprehensive income

iv. Commissions payable and deferred acquisition costs ("DAC")

A proportion of commission's payable is deferred and amortised over the period in which the related premium is earned. Deferred acquisition costs are direct and

indirect costs incurred during the financial year arising from the writing or renewing of insurance contracts, are deferred to the extent that these costs are recoverable out of future premiums. The deferred acquisition costs are recognised as a prepayment in the statement of financial position and amortised over the life of the policies in the statement of comprehensive income. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the year end.

v. Liability adequacy test

At each financial reporting date, liability adequacy tests are performed to ensure the adequacy of the insurance contract liabilities net of related DAC. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss.

A liability adequacy test was further carried out by Zamara Actuaries and Administrators to verify the adequacy of the provisioning. The test consists of comparing the amount of provisions with the best estimate of provisions, arrived at on the basis of the present value of the best estimate of the future expected contractual and other cash flows. The liabilities were found to be adequate.

2. Summary of significant accounting policies (continued)

c) Insurance Contracts (continued)

vi. Reinsurance contracts

Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

The benefits to which the company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. Reinsurance assets include balances due from reinsurance companies relating to the portion of the insurance liability that is recoverable from the reinsurer and is recognized as an income when due.

The company assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the company reduces the

carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The company gathers the objective evidence that a reinsurance asset is impaired using the processes set out in note 4. The reinsurance arrangements has an impact in the statement of comprehensive income as shown in the note 5b and 8b & c. Ceded reinsurance arrangements do not relieve the Company from its obligations to policy holders.

vii. Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. Amounts due from premium debtors are carried at amortised invoice amount less provision for impairment.

If there is objective evidence that the insurance receivable is impaired, the company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The company gathers the objective evidence that an insurance receivable is impaired using the process set out in note 4. Amount due to agents are recognised when due and measured on initial recognition at fair value of the consideration payable less directly attributable transaction costs.

2. Summary of significant accounting policies (continued)

c) Insurance Contracts (continued)

viii. Salvage and subrogation reimbursements

Some insurance contracts permit the company to sell (usually damaged) property acquired in settling a claim (for example, salvage). The company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

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

ix. Insurance premium revenue

Gross insurance written premiums comprise the total premiums recovered for the whole period of the cover provided by contracts entered into during the accounting period; they are recognized on the date on which the policy commences. Premiums include any adjustments arising between accounting periods for premiums receivable in respect of business written in previous accounting periods. Premiums collected by intermediaries but not yet received are accrued based on estimate from underwriting or past experience and are included in premiums written.

Unearned premium (UPR) represents the proportion of the premiums written in periods up to the reporting date that relates to the unexpired terms of policies in force at the statement of financial position date, and is computed on actual income earned pro-rated over the whole policy cover period. The revenue recognition policy relating to

insurance contracts is set out under note 2.c.(1).

x. Commissions Income

Insurance contract policyholders are charged for policy administration services and other contract fees. These fees are recognised as income over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

xi. Interest income

Interest income for all interest-bearing financial instruments, including financial instruments measured at fair value through profit or loss, is recognized within 'investment income' in the Statement of comprehensive income using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2. Summary of significant accounting policies (continued)

d) Financial assets

i) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Recognition and derecognition

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

iii) Measurement

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

2. Summary of significant accounting policies (continued)

d) Financial assets (continued)

Debt Instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The company's amortised cost financial assets comprised of cash and bank balances, deposits with financial institutions, government securities and other assets. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss item in the statement of profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income withing investment income using the effective interest rate method. Foreign exchange gains and losses are presented as Foreign exchange gains and losses and impairment expenses are presented as separate line item in the statement of profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as investment income when the Company's right to receive payments is established. The company holds quoted equities in Bank of Kigali as at 31 December 2021.

iv) Impairment of Financial Assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Impairment on financial instruments Note 33
- Impairment on insurance and reinsurance contract assets Note 32
- Disclosures for significant judgments and estimates Note 3

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. Summary of significant accounting policies (continued)

d) Financial assets(continued)

iv) Impairment of Financial Assets (Continued)

The Company considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables arising from direct insurance arrangements, the Company derives the incurred losses in two buckets, which are the receivables above 60days but less than 180days will be provided at 50% and the second bucket is for those above 180days which will be provided at 100%.The company credit policy for the reinsurance balance is to provide at 100% all items above 180 days. The Impairment losses are established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. The Company considers a insurance and reinsurance receivables to be in default (credit impaired) when contractual payments are 180 days past due.The policy is inline with the National Bank of Rwanda regulators policy in relation to direct insurance receivables. The ECL impairment loss allowance is an

unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects an entity's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, an entity should also consider observable market information about the credit risk of the particular financial instrument or similar financial instruments.

In the absence of sufficient depth of data, management apply expert judgment within a governance framework to determine the required parameters. The expert judgement process is based on available internal and external information.

Forward-looking information includes but is not limited to macro-economic conditions expected in the future. Forward looking information used in the ECL calculation should reflect the nature and characteristics of the credit risk exposures.

iv) Impairment of Financial Assets(Continued)

All reasonable and supportable information that is available should be used when incorporating forward-looking information into the ECL allowance. Forward looking assessments can be performed on an individual or collective basis.

Forward-looking factors should be aligned with risk factors used in risk assessments, stress testing, budgeting as well as strategy and pricing decisions. Relevant factors include factors intrinsic to the entity and its business or derived from external conditions.

Estimates regarding credit risk parameters and the impact of forward-looking information used in the calculation of the ECL loss amount should be reviewed at each reporting date and updated if necessary.

e) Financial Liabilities

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). For the period ended 31 December 2021 and 2020, Old Mutual Insurance Rwanda Plc had trade and other payables as financial liabilities.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. For the period ended 31 December 2021 and 2020, OLD Mutual Insurance Rwanda Plc had other payables as financial liabilities.

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2 . Summary of significant accounting policies (continued)

f) Property and equipment

All categories of property and equipment are initially recorded at cost and subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight line method to write down their cost to their residual values over their estimated useful lives, as follows:

Equipment and motor vehicles 3 - 8 years

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

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in the income statement.

2. Summary of significant accounting policies (continued)

g) Intangible assets

The company's 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 of three years.

Development 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 if:-

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell it are available; and,
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs that have been expensed are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years). Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

h) Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rwanda Francs which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to other payables and cash and cash equivalents, as well as all other foreign exchange gains and losses are presented in the Foreign exchange ((losses)/gains) line item within the statement of other comprehensive income..

2. Summary of significant accounting policies (continued)

i) Share capital

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

j) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost subsequent to initial recognition. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances that are available on demand as at the reporting date. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less

k) Employee benefits

(i) Retirement benefit obligations

The Company's contributions to the defined contribution schemes are charged to the profit or loss account in the year to which they relate. Employer contribution is 9.8% of your Basic salary and an employee is eligible to join the Provident Fund on engagement.

Its employees also contribute to the appropriate national Social Security Fund, which are defined contribution schemes.

(ii) Other entitlements

Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the financial reporting date.

The estimated monetary liability for employees' accrued annual leave entitlement at the financial reporting date is recognised as an expense accrual.

l) Income tax expense

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Rwanda tax laws.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

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

2. Summary of significant accounting policies (continued)

i) Income tax expense(continued)

Deferred income tax is provided on temporary differences arising on investments in associates, subsidiaries and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m) Dividend distribution

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared.

n) Provisions

Provisions for legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

o) Leases (IFRS 16)

The Company leases various offices. Rental contracts are typically made for fixed periods of 12 months to 4 years but may have extension options as described in (v) below.

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. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component

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 other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

2. Summary of significant accounting policies (continued)

o) Leases(continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

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

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

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the company use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal 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 the liability for each period.

(iii) The Company's leasing activities and how these are accounted for (continued)

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

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Estimate of cost to dismantling, remove, restore and rehabilitate.

2. Summary of significant accounting policies (continued)

o) Leases (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

iv) Variable lease payments

There are no leases with variable lease payments.

v) Extension and termination options

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

3. Critical accounting judgements and key sources of estimation uncertainty

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 and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 that we have considered under note 4 – Insurance risk.

Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer to credit risk management under note 4 below for further details.

2. Summary of significant accounting policies (continued)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of FRW 389,193,406 (undiscounted) have been included in the lease liability because it is reasonably certain that the leases will be extended.

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

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. See note 25.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Income taxes

Judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In the current year, the directors have recognised a deferred income tax asset of Frw 270,257,814 (2020: 162,314,017) because they are of the view that this will be recovered in future periods.

4. Management and insurance and financial risks

The Company's activities expose it to a variety of risks, including insurance risk, liquidity risk, credit risk, and the effects of changes foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. This section summarises the way the Company manages these risks.

a) Insurance risk

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

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. 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.

a) Insurance risk (continued)

The main risks that the Company is exposed to are as follows:

- Investment return risk – risk of loss arising from actual returns being different than expected.
- Expense risk – risk of loss arising from expense experience being different than expected.
- Policyholder decision risk – risk of loss arising due to policyholder experiences (policy cancellations) being different than expected.

The above risks are mitigated by the company's underwriting strategy which is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography and the use of reinsurance arrangements.

Current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria. The Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the company

The frequency and severity of claims can be affected by several factors. The most significant the increase in the number of cases coming to court that have been inactive or latent for a long period of time. Estimated inflation is also a significant factor due to the long period typically required to settle these cases. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

The following tables disclose the concentration of casualty insurance liabilities by class and by the maximum insured loss limit included in the terms of the policy. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from casualty insurance contracts.

4. Management, insurance and financial risk (Continued)

a) Insurance risk (continued)

| 31-Dec-21 | Frw 0m - 116m | Frw 116m – 1,938m | Frw 1,938m – 7,751m | Total |
|---------------------|-----------------|-------------------|---------------------|-------------------|
| Motor Gross | 17,864,619,026 | 10,181,810,642 | - | 28,046,429,668 |
| Net | 17,845,419,026 | 10,181,810,642 | - | 28,027,229,668 |
| Fire Gross | 32,665,208,783 | 110,332,901,592 | 1,228,782,479,034 | 1,371,780,589,409 |
| Net | 32,655,208,783 | 83,497,209,988 | 49,849,914,843 | 166,002,333,614 |
| Accident Gross | 60,108,922,417 | 19,853,361,769 | 15,135,983,868 | 95,098,268,054 |
| Net | 19,367,522,631 | 14,075,902,028 | 15,135,983,868 | 48,579,408,527 |
| Other classes Gross | 13,475,166,780 | 68,875,793,734 | 255,709,671,075 | 338,060,631,589 |
| Net | 20,018,681,375 | 46,685,568,523 | 23,601,344,208 | 90,305,594,106 |
| Total Gross | 124,113,917,006 | 209,243,867,737 | 1,499,628,133,977 | 1,832,985,918,720 |
| Net | 89,886,831,815 | 154,440,491,181 | 88,587,242,919 | 332,914,565,915 |
| 31 Dec 2020 | Frw 0m - 116m | Frw 116m – 1,938m | Frw 1,938m – 7,751m | Total |
| Motor Gross | 16,241,674,023 | 14,769,639,191 | - | 31,011,313,214 |
| Net | 16,222,474,023 | 14,769,639,191 | - | 30,992,113,214 |
| Fire Gross | 35,100,137,035 | 110,288,292,999 | 723,122,658,731 | 868,511,088,765 |
| Net | 35,102,137,034 | 80,005,183,992 | 31,395,425,949 | 146,502,746,975 |
| Accident Gross | 2,684,468,449 | 10,067,776,927 | 2,270,063,868 | 15,022,309,244 |
| Net | 3,100,612,667 | 10,339,776,927 | 2,270,063,868 | 15,710,453,462 |
| Other classes Gross | 13,726,659,609 | 59,841,645,053 | 196,485,921,409 | 270,054,226,071 |
| Net | 17,033,266,586 | 39,535,183,402 | 93,679,568,861 | 150,248,018,849 |
| Total Gross | 67,752,939,116 | 194,967,354,170 | 921,878,644,008 | 1,184,598,937,294 |
| Net | 71,458,490,310 | 144,649,783,512 | 127,345,058,678 | 343,453,332,500 |

The insurance risks exposure for fire has increased primarily as a result of increase in Fire contracts in the current year. The insurance risk exposure for motor has decreased primarily as a result of decrease in motor contracts in the current year.

4. Management, insurance and financial risk (Continued)

a) Insurance risk (continued)

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 IBNR has been determined by the actuaries and compared with the statutory minimum requirement of 15% of the outstanding claims payment for the preceding year. The actuaries use various methods to project IBNR including Chain ladder technique, the Bornhuetter-Ferguson technique or a blend of the two. The table below shows the range of reserves from the regulatory minimum to the actuarially computed reserves.

| FRW' 000 | Regulatory | Actuarially computed |
|------------|------------|----------------------|
| Gross IBNR | 416,862 | 1,154,632 |
| Net IBNR | 345,768 | 643,982 |

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.

4. Management, insurance and financial risk (Continued)

b) Financial risk

The Company is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important types of risk are credit risk, liquidity risk, market risk and other operational risks. Market risk includes currency risk, interest rate risk, equity price risk and foreign currency risk.

These risks arise from open positions in interest rates, currency exchange rates and equity securities prices, all of which are exposed to general and specific market movements. The risks that the company primarily faces due to the nature of its investments and liabilities are liquidity risk and interest rate risk.

The Company manages exposure to these risks through policies developed by the Finance and Investment Committee (FIC) at the group level. These policies have been developed to achieve long-term investment returns in excess of the company's obligations under insurance and investment contracts. The principal technique of the Company's FIC is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

The table on the following page summarises the maturity analysis for insurance contract assets/liabilities to their remaining contractual maturities, as well as the potential maturities of investments entered into for the purposes of managing liquidity of insurance contract liabilities. The amounts disclosed are the contractual discounted cash flows.

| 2021 | Less than 3 months | 3-12 months | 1-5 years | After 5 years | Total |
|---|--------------------|------------------|------------------|------------------|-------------------|
| Assets | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Cash and cash equivalent | 1,985,616 | - | - | - | 1,985,616 |
| Government Securities at amortised costs | - | 1,231,746 | 4,090,694 | 4,060,285 | 9,382,725 |
| Deposits with financial institutions | 3,267,167 | 6,544,086 | - | - | 9,811,253 |
| Reinsurers share of insurance liabilities | 582,518 | 873,777 | 2,038,813 | - | 3,495,108 |
| Direct /Reinsurance insurance receivables | 539,520 | 253,655 | - | - | 793,175 |
| Equity Investments at fair value through other comprehensive income | 12,500 | - | - | - | 12,500 |
| Total Liabilities | 6,387,321 | 8,903,264 | 6,129,507 | 4,060,285 | 25,480,377 |
| Insurance contract liabilities | 2,301,389 | 7,929,903 | 1,496,544 | - | 11,727,836 |
| Creditors arising from reinsurance arrangements | 127,335 | 1,364,803 | 163,412 | - | 1,655,550 |
| Total | 2,428,724 | 9,294,706 | 1,659,956 | - | 13,383,386 |
| Liquidity Gap as at 31 December 2021 | 3,958,597 | 391,442 | 4,469,551 | 4,060,285 | 12,096,991 |

| 2020 | Less than 3 months | 3-12 months | 1-5 years | After 5 years | Total |
|---|--------------------|------------------|------------------|------------------|-------------------|
| Assets | Frw000' | Frw000' | Frw000' | Frw000' | Frw000' |
| Cash and cash equivalent | 1,614,096 | - | - | - | 1,614,096 |
| Government securities at amortised costs | 730,608 | 1,830,452 | 3,981,182 | 2,123,871 | 8,666,113 |
| Deposits with financial institutions | 1,460,703 | 5,885,318 | - | - | 7,346,022 |
| Reinsurers share of insurance liabilities | 341,030 | 511,544 | 1,193,604 | - | 2,046,178 |
| Insurance and reinsurance receivables | 473,790 | 304,500.60 | - | - | 778,291 |
| Equity Investments at fair value through other comprehensive income | 12,000 | - | - | - | 12,000 |
| Total Liabilities | 4,632,227 | 8,531,815 | 5,174,786 | 2,123,871 | 20,462,700 |
| Insurance contract liabilities | 1,666,083 | 5,693,019 | 985,475 | - | 8,344,577 |
| Creditors arising from reinsurance arrangements | 22,663 | 576,120 | 123,427 | - | 722,210 |
| Total | 1,688,746 | 6,269,139 | 1,108,902 | - | 9,066,787 |
| Liquidity Gap as at 31 December 2020 | 2,943,481 | 2,262,676 | 4,065,884 | 2,123,871 | 11,395,913 |

(i) Foreign exchange risk

The company maintains foreign currency denominated other payables and current accounts with local banks. This exposes the company to foreign exchange risk arising from the various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities and is managed primarily through setting limits on the maximum exposure to any one currency. This exposes the company to foreign exchange risk arising from the various currency exposures, primarily with respect to the US Dollar, Kenya Shilling and Uganda Shilling.

At 31 December 2021 the company recognised a loss on foreign exchange on current accounts with banks and other payables of FRW (85,868,019) (2020: Frw (126,308,379)).

| | 2021 | 2020 |
|----------------------|------------------|--------------------|
| | USD FRW'000 | USD FRW'000 |
| Cash and equivalents | FRW'000 | FRW'000 |
| Other payables | (1,004,283) | (1,537,141) |
| Net position | (739,668) | (1,061,054) |

4. Management, insurance and financial risk (continued)

Market risk (Continued)

(ii) Foreign exchange risk (continued)

Sensitivity

As shown in the table on above, the Company is primarily exposed to changes in US/FRW exchange rates. rates.

The sensitivity of equity and profit or loss to changes in the exchange rates arises mainly from the US-dollar denominated financial instruments above.

At 31 December 2021, if the currency had weakened/strengthened by 5% against the US dollar with all other variables held constant, the equity and post tax profit for the year would have been FRW 76,551/ USD 84,609 lower/higher (2020 : FRW 70,778/78,228 higher/lower).

The Company's exposure to other foreign currencies is not material.

(iii) Interest rate risk

Fixed interest rate financial instruments expose the company to fair value interest rate risk. Variable interest rate financial instruments expose the company to cash flow interest rate risk.

The Company's fixed interest rate financial instruments are deposits with financial institutions. The Company had no variable interest rate financial instrument as of 31 December 2021. No limits are placed on the ratio of variable rate financial instruments to fixed rate financial instruments. Investment contracts with fixed and guaranteed terms deposits with financial institutions held to maturity are accounted for at amortised cost and their carrying amounts are not sensitive to changes in the level of interest rates.

(iv) Price risk

The company is exposed to equity price risk because of investment in quoted securities as fair value through other comprehensive income. The exposure to price risk is managed primarily by setting limits on the percentage of net assets available for benefits that may be invested in equity, and by ensuring sufficient diversity of the investment portfolio. The Company's exposure to equity price risk is not material and no sensitivity

(v) Credit risk

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are receivables arising out of direct insurance arrangements, receivables arising out of reinsurance arrangements, , other assets, deposits with financial institutions, government securities at amortised costs and cash at bank.

The Company has no significant concentrations of credit risk. The Company structures the levels of credit risk it accepts by placing limits to counterparty, or groups of counterparties, and to industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk are approved by the Board of Directors.

4. Management, insurance and financial risk (continued)

Market risk (continued)

Credit Risk (continued)

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

Management makes regular reviews to assess the degree of compliance with the Company procedures on credit. Exposures to individual policyholders and groups of policyholders are collected within the on-going monitoring by the management.

Maximum exposure to credit risk

| | 2021 FRW'000 | 2020 FRW'000 |
|--|-------------------|-------------------|
| Cash and bank balances | 1,985,616 | 1,614,096 |
| Deposits with financial institutions | 9,811,254 | 7,346,022 |
| Government securities at amortised cost | 9,382,725 | 8,666,113 |
| Other assets | 124,424 | 61,454 |
| Receivables arising out of reinsurance arrangements | 243,045 | 278,556 |
| Receivables arising out of direct insurance arrangements | 550,064 | 499,735 |
| | 22,097,128 | 18,465,976 |

No collateral is held for any of the above assets. All receivables that are neither past due or impaired are within their approved credit limits, and no receivables have had their terms renegotiated. None of the Company's credit risk counterparties are rated.

None of the above assets are past due or impaired except for amounts in receivables arising out of direct insurance arrangements which are due on inception of insurance cover, as well as certain reinsurance receivables.

For receivables arising from direct insurance arrangements, the Company derives the incurred losses in two buckets, which are the receivables above 60 days but less than 180 days will be provided at 50% and the second bucket is for those above 180 days which will be provided at 100%. The company credit policy for the reinsurance balance is to provide at 100% all items above 180 days. The Impairment losses are established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. The Company considers insurance and reinsurance receivables to be in default (credit impaired) when contractual payments are 180 days past due. The policy is inline with the National Bank of Rwanda regulators policy in relation to direct insurance receivables. On that basis, the loss allowance as at 31 December 2021 was determined as follows for receivables arising out of direct insurance arrangements and reinsurance arrangements as follows:

4. Management, insurance and financial risk (continued)

Credit risk (continued)

| 31 December | 2021 Frw'000 | 2020 Frw'000 |
|-------------------------------------|------------------|------------------|
| Direct Insurance receivables | | |
| Incurring loss rate | (24%) | (35%) |
| Carrying amount (Frw'000) | 720,609 | 772,321 |
| Loss allowance | (170,546) | (272,586) |

The closing loss allowances as at 31 December 2021 reconcile to the opening loss allowances as follows;

| Frw '000 | 2021 | 2020 |
|--|------------------|------------------|
| Opening loss allowance as at 1 January | 272,586 | 160,381 |
| Increase (decrease) in impairment loss | (102,040) | 112,205 |
| At 31 December | 170,546 | 272,586 |
| Reinsurance receivables | 2021 | 2020 |
| Incurring loss rate | (53)% | (52)% |
| Carrying amount (Frw'000) | 522,478 | 578,774 |
| Loss allowance | (279,433) | (300,219) |

The closing loss allowances as at 31 December 2021 reconcile to the opening loss allowances as follows;

| At start of year | 300,219 | 117,406 |
|--|----------|---------|
| Increase (decrease) in impairment loss | (20,786) | 182,813 |
| At end of year | 279,433 | 300,219 |

The insurance and reinsurance receivables have decreased for the financial year 2021 from 2020 due to COVID 19 restriction ease, and economy has opened up resulting in more recoveries from these insurance receivables. This has led to the decrease also in the incurred loss allowances leading to impairment reversals in the current year.

The Company considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

4. Management, insurance and financial risk (continued)

Credit risk (continued)

Deposits with financial institutions, cash at bank, government securities

Deposits with financial institutions, cash at bank and government securities are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for these financial assets as they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The loss rate assigned to these has been determined to be 0.17% for deposits with financial institutions and cash at bank which is the probability of default assigned to a B+ investment grade by Standard & Poors rating agency. The loss rate assigned to government securities has been determined to be 0.46% which is the probability of default assigned to a B+ sovereign grade by Standard & Poors rating agency.

The reconciliation of the loss allowance for deposits with financial institutions and government securities at amortised cost is disclosed under note 14 and note 15 respectively. The identified impairment loss on cash at bank and other assets was immaterial. The company also made assessment on the credit risk for the reinsurer share of insurance contract liabilities and concluded the credit risk is low and immaterial.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities as they fall due and to replace funds when they are withdrawn.

The company is exposed to daily calls on its available cash resources for claims settlement and other administration expenses. The Company does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Company manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities to cover any shortfalls.

The table below presents the cash flows payable by the Company under financial liabilities by remaining contractual maturities (other than insurance contract liabilities which are based on expected maturities) at the financial reporting date:

4. Management, insurance and financial risk (continued)

Liquidity risk (Continued)

| At 31 December 2021 | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Total |
|----------------------------|----------------|----------------|------------------|------------------|------------------|
| At 31 December 2021 | | | | | |
| Lease liabilities | - | 26,696 | 10,961 | 301,183 | 338,840 |
| Other payables | 322,661 | 681,770 | 1,932,864 | 648,258 | 3,585,553 |
| | 322,661 | 708,466 | 1,943,825 | 949,441 | 3,924,393 |
| At 31 December 2020 | | | | | |
| Lease liabilities | - | 33,295 | 13,670 | 375,630 | 422,595 |
| Other payables | 173,422 | 963,969 | 1,522,165 | 1,537,141 | 4,196,697 |
| | 173,422 | 997,264 | 1,535,835 | 1,912,771 | 4,619,292 |

Capital management

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 requirements as set out in the Insurance Regulations;
- to comply with regulatory solvency requirements as set out in the Insurance Regulations;
- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

The Insurance Law (Law No. 05/2009 of 29/07/2009 on licensing and other requirements for carrying insurance business in Rwanda) requires separation of the life and non-life insurance businesses into separate companies and each of the companies to hold a minimum level of paid up capital of Frw 1 billion.

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

The capital and regulatory solvency thresholds were effective from July 2011 and the company was therefore required to comply with them for the period ended 31 December 2021. During the year the Company held the minimum capital required to meet the solvency margins.

The Company's paid up Capital at the end of 2021 is presented on note 12. The table below summarises the solvency margin of the Company at 31 December 2021 and 2020:

4. Management, insurance and financial risk (continued)

Capital management (Continued)

Capital management

See table on the following page.

| | 2021 Frw'000 | 2020 Frw'000 |
|--------------------------------|-----------------|-----------------|
| Admitted assets | 23,538,824 | 18,977,758 |
| Admitted liabilities | 18,810,350 | 14,261,197 |
| Solvency margin | 4,728,474 | 4,716,561 |
| Required solvency margin | 1,911,337 | 1,712,307 |
| Surplus/(Deficiency) | 2,817,137 | 3,004,254 |
| Solvency coverage ratio | 247% | 275% |

Fair value estimation

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

| | Level 1 | Level 2 | Level 3 |
|------------------------------|--|--|---|
| Fair value determined using: | Unadjusted quoted prices in active market for identical assets and liabilities | Valuation model with directly or indirectly market observable inputs | Valuation models using significant non-market observable inputs |
| Types of financial assets: | Listed equities | N/A | N/A |

Valuation methods and assumptions

Other assets, amounts due from related parties, other payables, amounts due to related parties, Cash and bank balances, deposits with financial institutions, approximate their carrying value amounts due to the short-term maturities of these instruments..

The following table provides the fair value measurement hierarchy of the company's assets. The table below include items that have recurring fair value measurements (i.e. financial assets at FVOCI).

4. Management, insurance and financial risk (continued)

Fair Value Estimation (continued)

| Carrying amount | Fair value | Quoted prices in active market | Significant observable inputs | Significant unobservable inputs | Total |
|------------------------------|---------------|--------------------------------|-------------------------------|---------------------------------|----------|
| | | | Level 1 | Level 2 | Level 3 |
| 31-Dec-21 | | | | | |
| Investments in quoted equity | 12,500 | 12,500 | 12,500 | - | - |
| Total | 12,500 | 12,500 | 12,500 | - | - |
| 31-Dec-20 | | | | | |
| Investments in quoted equity | 12,000 | 12,000 | 12,000 | - | - |
| Total | 12,000 | 12,000 | 12,000 | - | - |

For all other financial assets and liabilities, their carrying value approximates the fair value.

| 5. (a) Premiums | Gross written premium | | Change in unearned premium | | Gross earned premium | |
|-------------------------------|-----------------------|-------------------|----------------------------|------------------|----------------------|-------------------|
| | 2021 Frw'000 | 2020 Frw'000 | 2021 Frw'000 | 2020 Frw'000 | 2021 Frw'000 | 2020 Frw'000 |
| Short term insurance business | | | | | | |
| Medical | 10,621,015 | 8,994,770 | (379,488) | (376,794) | 10,241,527 | 8,617,976 |
| Motor | 1,780,762 | 1,696,168 | (51,725) | (120,251) | 1,729,037 | 1,575,917 |
| Fire | 1,552,885 | 840,763 | (367,913) | (156,302) | 1,184,972 | 684,461 |
| Engineering | 687,813 | 324,442 | (122,478) | (26,227) | 565,335 | 298,215 |
| Liability | 404,948 | 339,511 | (25,454) | (48,440) | 379,494 | 291,071 |
| Personal accident | 371,520 | 115,236 | (163,586) | (12,680) | 207,934 | 102,556 |
| Theft | 329,508 | 119,775 | (42,686) | (6,792) | 286,822 | 112,983 |
| Others | 807,912 | 136,746 | (486,235) | 3,216 | 321,677 | 139,962 |
| Marine | 92,859 | 59,565 | (9,266) | 1,388 | 83,593 | 60,953 |
| Workmen's compensation | 77,951 | 49,122 | (9,815) | 62,494 | 68,136 | 111,617 |
| Total | 16,727,173 | 12,676,098 | (1,658,646) | (680,388) | 15,068,527 | 11,995,711 |

(b) Premiums ceded to reinsurers

| Reinsurer | Ratings | 2021 Frw'000 | 2020 Frw'000 |
|---------------------------------------|-------------|------------------|------------------|
| Swiss Re | S&P AA- | 114,775 | 163,127 |
| Africa Reinsurance Co | AM Best A | 1,104,218 | 1,150,549 |
| Continental Re | AM Best B+ | 10,300 | 4,972 |
| East Africa Re | AM Best B | 3,334 | 15,116 |
| Kenya Re | AM Best B+ | 488,450 | 533,169 |
| SCOR Africa Limited | S&P A- | 9,175 | 41,830 |
| Zep Re | AM Best B++ | 660,647 | 639,408 |
| Africa Trade Insurance Agency | S&P A | - | 10,383 |
| AXA | A- | 21,396 | - |
| LLOYDS | A+ | 106,286 | - |
| Facultative arrangements ⁵ | | 1,806,807 | 271,349 |
| Premium ceded | | 4,325,388 | 2,829,903 |

⁵These are contracts which are ceded to various reinsurers which cover specific agreed risks

(c) Commission earned

| | 2021 Frw'000 | 2020 Frw'000 |
|------------------------|------------------|-----------------|
| Medical | 724,825 | 606,581 |
| Motor | 36,250 | 34,674 |
| Fire | 347,328 | 170,062 |
| Engineering | 152,500 | 72,692 |
| Liability | 29,558 | 23,785 |
| Personal accident | 38,103 | 1,784 |
| Theft | 52,363 | 634 |
| Others | 198,710 | 25,568 |
| Marine | 7,042 | 4,829 |
| Workmen's compensation | 815 | 365 |
| | 1,587,494 | 940,974 |

(d) Commission Expense and Deferred acquisition costs

| | 2021 Frw'000 | 2020 Frw'000 |
|---|------------------|------------------|
| Medical | 642,810 | 592,861 |
| Motor | 243,624 | 149,742 |
| Fire | 260,399 | 111,050 |
| Marine | 31,031 | 7,239 |
| Personal accident | 71314 | 20,660 |
| Misc | 191,474 | 11,414 |
| Workmen's Compensation | 32,764 | 5,871 |
| Theft | 67,084 | 11,960 |
| Engineering | 125,212 | 245,750 |
| Liability | 56,721 | 31,845 |
| | 1,722,433 | 1,188,392 |
| Movement in Deferred Acquisition costs(note 18) | 67,384 | 224,433 |
| | 1,789,817 | 1,412,825 |

6. Investment income

| | 2021 Frw'000 | 2020 Frw'000 |
|--|------------------|------------------|
| Interest from treasury bonds and bills | 1,069,220 | 815,846 |
| Interest from bank deposits | 766,156 | 665,967 |
| Staff Loan interest | 3,822 | 3,440 |
| | 1,839,198 | 1,485,253 |

7. Foreign exchange losses

| | 2021 Frw'000 | 2020 Frw'000 |
|--|-----------------|------------------|
| Realised gains/(losses) on foreign exchange transactions | (36,455) | 9,030 |
| Unrealised losses on foreign denominated balances | (49,413) | (135,338) |
| | (85,868) | (126,308) |

8. (a) Gross benefits and claims Paid

| | 2021 Frw'000 | 2020 Frw'000 |
|------------------------|------------------|------------------|
| Medical | 6,817,728 | 5,232,105 |
| Motor | 879,268 | 621,971 |
| Fire | 136,287 | 204,056 |
| Marine | 32,423 | 7,772 |
| Personal accident | 2,824 | 1,271 |
| Misc | 9,660 | 7,305 |
| Workmen's Compensation | 15,997 | 25,271 |
| Theft | 60,815 | 113,583 |
| Engineering | 2,981 | 1,067 |
| Liability | 3,941 | 985 |
| | 7,961,924 | 6,215,386 |

(b) Claims ceded to Reinsurers

| | 2021 Frw'000 | 2020 Frw'000 |
|-------------------|------------------|------------------|
| Medical | 1,349,190 | 1,083,899 |
| Motor | 180,331 | 75,314 |
| Fire | 71,564 | 81,095 |
| Marine | 2,439 | 167 |
| Personal accident | - | - |
| Misc | 71,970 | 104,719 |
| Theft | (982) | 351 |
| Engineering | 33,322 | 1,623 |
| Liability | 1,320 | - |
| | 1,709,154 | 1,347,168 |

| 8(c) Changes in Contract liabilities | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------|-------------------------|
| Gross change in outstanding contract liabilities | | |
| Gross change in claims outstanding | (1,323,866) | (212,130) |
| Gross change in claims Incurred But Not Reported (IBNR) | (400,747) | (301,019) |
| | (1,724,613) | (513,149) |
| Gross change in outstanding claims | | |
| Gross claims at the beginning | (2,779,077) | (2,566,948) |
| Gross claims at the end | (4,102,943) | (2,779,077) |
| | (1,323,866) | (212,130) |
| Gross change in incurred but not reported claims (IBNR) | | |
| IBNR at the beginning | (753,885) | (452,866) |
| IBNR at the end | (1,154,632) | (753,885) |
| | (400,747) | (301,019) |
| Change in contract liabilities ceded to reinsurers | | |
| Reinsurers share in gross claims | 177,234 | (180,585) |
| Reinsurers share in incurred but not reported claims (IBNR) | 171,651 | 200,999 |
| | 348,885 | 20,414 |
| Reinsurer share in gross claims | | |
| Reinsurance share in gross claims at the beginning | 473,957 | 654,542 |
| Reinsurance share in gross claims at the end | 651,191 | 473,957 |
| | 177,234 | (180,585) |
| Reinsurers share in incurred but not reported claims (IBNR) | | |
| IBNR at the beginning | 338,999 | 138,000 |
| IBNR at the end | 510,650 | 338,999 |
| | 171,651 | 200,999 |

9. Operating and other expenses

| | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------|-------------------------|
| Employees benefits (Note 10) | 1,369,905 | 1,208,728 |
| Staff recruitment and training | 20,240 | 12,557 |
| Printing and stationery | 54,476 | 45,028 |
| Publicity and Marketing expenses | 88,326 | 104,091 |
| Travelling costs | 18,962 | 7,764 |
| Depreciation expense – RoU (Note 25.i) | 114,073 | 95,232 |
| Depreciation of equipment and motor vehicles (Note 23) | 35,149 | 56,141 |
| Amortisation of intangible assets | 4,573 | 4,574 |
| Directors' expense | 74,258 | 72,075 |
| Auditors' remuneration | 12,818 | 22,690 |
| Software expenses | 57,861 | 60,713 |
| Licenses | - | 60,828 |
| Rebranding costs | 7,082 | - |
| VAT expensed | 112,692 | 109,415 |
| Tax assessment expense | 92,339 | 150,000 |
| Other expenses | 424,119 | 367,389 |
| | 2,486,873 | 2,377,225 |

10. Employee benefit expense

| | 2021 Frw'000 | 2020 Frw'000 |
|---|-------------------------|-------------------------|
| Salaries and wages | 1,049,817 | 911,310 |
| Contributions to the Social Security Fund of Rwanda | 53,092 | 49,875 |
| Defined contribution scheme | 87,198 | 49,875 |
| Other staff costs | 179,798 | 197,668 |
| | 1,369,905 | 1,208,728 |

11 (a) Income tax expense

| | 2021 Frw'000 | 2020 Frw'000 |
|-------------------------------|-------------------------------|-------------------------------|
| Current income tax charge | 757,264 | 569,812 |
| Deferred income tax (note 29) | (107,944) | (162,314) |
| Income tax charge/(credit) | 649,320 | 407,498 |

(b) Current income tax payable

| | 2021 Frw'000 | 2020 Frw'000 |
|----------------------------|-------------------------------|-------------------------------|
| At 1 January | (569,812) | (76,652) |
| Current income tax expense | (757,264) | (569,812) |
| Income tax paid | 997,290 | 76,652 |
| At 31 December | (329,786) | (569,812) |

The income tax expense on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

12. Share capital and reserves

| | Number of shares | Ordinary shares |
|-----------------------------------|-------------------------|------------------------|
| At 1 January 2019, 1 January 2020 | 9,177,614 | 9,177,614 |
| At 31 December 2021 | 9,177,614 | 9,177,614 |

The total number of authorised shares is 9,177,614 with a par value of FRW 1,000 per share

13. Cash and bank balances

| | 2021 Frw'000 | 2020 Frw'000 |
|--------------------------------------|-------------------------------|-------------------------------|
| Bank balances under current accounts | 1,985,316 | 1,613,796 |
| Cash in hand | 300 | 300 |
| | 1,985,616 | 1,614,096 |

14. Deposits with financial institutions

| | 2021 Frw'000 | 2020 Frw'000 |
|--------------------------------|-------------------------------|-------------------------------|
| Bank of Kigali Plc | 2,565,310 | 1,238,363 |
| GT Bank Rwanda Plc | - | 363,377 |
| KCB Rwanda Plc | 512,753 | - |
| I&M Bank Plc | 2,415,197 | 2,523,241 |
| AB Bank Rwanda Plc | 1,097,443 | 862,055 |
| Access Bank Rwanda Plc | - | 411,096 |
| EcoBank Rwanda Plc | 977,091 | 778,438 |
| Equity Bank Rwanda Plc | 513,404 | - |
| Letshego Bank Plc | 299,999 | 218,323 |
| NCBA Rwanda Plc | 415,084 | - |
| Banque Populaire du Rwanda Plc | 1,107,015 | 1,017,014 |
| Total Gross amount | 9,903,296 | 7,411,907 |
| Expected credit losses | (92,042) | (65,885) |
| Total net amount | 9,811,254 | 7,346,022 |

Deposits with financial institutions have an average maturity of 12 months

14. Deposits with financial institutions (Continued)

| | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------------|-------------------------------|
| Gross carrying amount reconciliation for Deposits with financial institutions | | |
| Opening balance | 7,411,907 | 6,574,929 |
| Invested in the year | 8,656,457 | 7,451,058 |
| Matured during the year | (6,663,364) | (6,924,275) |
| Interest income accrued | 498,296 | 310,195 |
| 31 December | 9,903,296 | 7,411,907 |

| 15. Government securities at amortised cost | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------|-------------------------|
| Opening balance | 8,727,509 | 6,614,987 |
| Invested in the year | 3,126,631 | 2,298,763 |
| Matured during the year | (2,774,940) | (559,750) |
| Interest income accrued | 312,969 | 373,509 |
| 31 December | 9,392,169 | 8,727,509 |
| Expected credit losses | (9,444) | (61,396) |
| | 9,382,725 | 8,666,113 |
| Current (maturing in less than 1 year) | 1,503,525 | 1,268,933 |
| Non-current (maturing in more than 1 year) | 7,879,200 | 7,397,180 |

The government bonds have a maturity period of less than 1 year to 15 years.

| 16. Withholding tax recoverable | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------|-------------------------|
| WHT on interest income received* | 212,461 | 329,255 |
| | 212,461 | 329,255 |

*The withholding tax recoverable relates to the recoverability of withholding taxes on interest income from investments in government securities and deposit with financial institutions. The withholding tax recoverable represents a current income tax asset but the right to offset from the income tax payable only exists upon the receipt of the required withholding tax certificates.

The company had no right to offset any portion of its withholding tax recoverable from its income tax payable during 2021 and 2020 as the required withholding tax certificates have not been received

Withholding tax recoverable

The withholding tax recoverable balance has been impaired due to the company's inability to obtain the required withholding tax certificates within its expiry period. The impairment of the withholding tax recoverable has been included within other expenses in profit or loss.

| 17. Equity investments at fair value through other comprehensive income | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------|-------------------------|
| At start of year | 12,000 | 13,250 |
| Fair value gain/(loss) | 500 | (1,250) |
| At 31 December | 12,500 | 12,000 |

| 18. Deferred acquisition costs | 2021 Frw'000 | 2020 Frw'000 |
|---------------------------------------|-------------------------|-------------------------|
| At start of year | 169,099 | 237,217 |
| Additions | 134,768 | 156,315 |
| Amortisation charge | (67,384) | (224,433) |
| At 31 December | 236,483 | 169,099 |

| 19. Other assets | 2021 Frw'000 | 2020 Frw'000 |
|------------------------------------|-------------------------|-------------------------|
| Due from related parties (Note 31) | 5,853 | 229 |
| Prepayments | 10,591 | - |
| Staff debtors | 107,980 | 61,224 |
| At end of year* | 124,424 | 61,453 |

*All the other assets are classified as current in nature. The fair values of these balances approximate their carrying values.

| 20. Receivables arising out of reinsurance arrangements | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------|-------------------------|
| Gross balance | 522,478 | 578,774 |
| Impairment loss provision | (279,433) | (300,219) |
| | 243,045 | 278,555 |

| Movement in provision for impairment of receivables arising out of reinsurance | 2021 Frw'000 | 2020 Frw'000 |
|--|-----------------|-----------------|
| At start of year | 300,219 | 117,406 |
| Increase/(decrease) in provisions for doubtful debts | (20,786) | 182,813 |
| At end of year | 279,433 | 300,219 |

| 21. Receivables arising from direct insurance arrangements | 2021 Frw'000 | 2020 Frw'000 |
|--|-----------------|-----------------|
| Gross balance | 720,610 | 772,321 |
| Impairment loss provision | (170,546) | (272,586) |
| At end of year | 550,064 | 499,735 |

Movements in the provision for impairment of receivables arising out of direct insurance arrangements are as follows:

| | | |
|--|----------------|----------------|
| At start of year | 272,586 | 160,381 |
| Increase/(decrease) in provisions for doubtful debts | (102,040) | 112,205 |
| At end of year | 170,546 | 272,586 |

| 22. Reinsurers' share of insurance liabilities | 2021 Frw'000 | 2020 Frw'000 |
|--|------------------|------------------|
| Reinsurers' share of: | | |
| Unearned premiums (Note 27) | 2,333,268 | 1,233,222 |
| Notified claims (Note 26) | 651,191 | 473,957 |
| Incurred but not reported claims (Note 26) | 510,650 | 338,999 |
| | 3,495,109 | 2,046,178 |

23. Equipment and motor vehicles

| | Office furniture and equipment Frw'000 | Computer equipment Frw'000 | *Motor Vehicle Frw'000 | *Tele- phone equip- ment Frw'000 | Total Frw'000 |
|----------------------------------|---|-------------------------------|---------------------------|-------------------------------------|------------------|
| Cost: | | | | | |
| At 1 January 2021 | 359,354 | 173,799 | 23,955 | 20,471 | 577,578 |
| Additions | 6,285 | 17,715 | - | - | 24,000 |
| At 31 December 2021 | 365,639 | 191,514 | 23,955 | 20,471 | 601,578 |
| Accumulated depreciation: | | | | | |
| At 1 January 2021 | (328,788) | (138,743) | (23,955) | (20,471) | (511,957) |
| Charge for the year | (13,186) | (21,963) | - | - | (35,149) |
| At 31 December 2021 | (341,974) | (160,706) | (23,955) | (20,471) | (547,106) |
| Net Book Value | 23,665 | 30,807 | - | - | 54,472 |
| Cost: | | | | | |
| At 1 January 2020 | 356,924 | 148,194 | 23,955 | 20,471 | 549,543 |
| Additions | 2,430 | 25,605 | - | - | 28,035 |
| At 31 December 2020 | 359,354 | 173,799 | 23,955 | 20,471 | 577,578 |
| Accumulated depreciation | | | | | |
| At 1 January 2020 | (288,433) | (122,958) | (23,955) | (20,471) | (455,817) |
| Charge for the year | (40,355) | (15,785) | - | - | (56,140) |
| At 31 December 2020 | (328,788) | (138,743) | (23,955) | (20,471) | (511,957) |
| Net book value | 30,566 | 35,055 | - | - | 65,621 |

*Items of Motor vehicles and telephone equipment which have been fully depreciated with a gross carrying amount of Frw 23,955,000 and Frw 20,471,000 respectively, are still in use.

24. Intangible assets

| | Frw'000 |
|----------------------------------|--------------|
| Computer Software: Cost | |
| At 1 January 2021 | 102,511 |
| Additions | - |
| At 31 December 2021 | 102,511 |
| Accumulated depreciation: | |
| At 1 January 2021 | (94,076) |
| Charge for the year | (4,573) |
| At 31 December 2021 | (98,649) |
| Net book value | 3,862 |
| Computer Software: Cost | |
| At 1 January 2020 | 102,511 |
| Additions | - |
| At 31 December 2020 | 102,511 |
| Accumulated depreciation | |
| At 1 January 2020 | (89,503) |
| Charge for the year | (4,573) |
| At 31 December 2020 | (94,076) |
| Net book value | 8,435 |

25. Intangible assets

(i) Amounts recognised in the statement of financial position: Right of use assets: Buildings

| | Frw'000, 2021 | Frw'000, 2020 |
|----------------------------------|------------------|------------------|
| Cost: | | |
| At 1 January | | |
| Additions | 583,788 | 523,269 |
| | - | 60,519 |
| At 31 December | 583,788 | 583,788 |
| Accumulated depreciation: | | |
| At 1 January | (204,750) | (78,777) |
| Charge for the year | (114,074) | (125,973) |
| At 31 December | (318,824) | (204,750) |
| Net book value | 264,964 | 379,038 |

25. Leases (continued): Lease liabilities

| | 2021 Frw'000 | 2020 Frw'000 |
|-----------------------------|-----------------|-----------------|
| At 1 January | 422,595 | 484,984 |
| Additions | - | 60,519 |
| Finance costs | 50,931 | 72,433 |
| Foreign Exchange Difference | (9,614) | - |
| Repayments | (125,071) | (195,341) |
| At 31 December | 338,841 | 422,595 |

Adjustment for prior year difference resulted from an overstatement of last year liability which was corrected in the current period.

| | 2021 Frw'000 | 2020 Frw'000 |
|-----------------------|-----------------|-----------------|
| Current | 49,392 | 61,599 |
| Non current | 289,449 | 360,996 |
| At 31 December | 338,841 | 422,595 |

During the year, there were no additions to the right of use assets (2020: 60,518).

(ii) Amounts recognised in the statement of comprehensive income

| | 2021 Frw'000 | 2020 Frw'000 |
|-------------------------------------|-----------------|-----------------|
| Depreciation of right of use assets | 114,074 | 125,973 |
| Finance costs | 50,932 | 72,433 |

| 26. Insurance contract liabilities | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------|------------------|
| Claims reported and claims handling expenses | 4,102,943 | 2,779,077 |
| Claims incurred but not reported | 1,154,632 | 753,885 |
| Unearned premium (Note 27) | 6,470,261 | 4,811,615 |
| | 11,727,836 | 8,344,577 |

| 26. Insurance contract liabilities - continued | 2021 | | |
|---|------------------|------------------------|------------------|
| Movement in insurance contract liabilities and reinsurance assets : | Gross Frw'000 | Reinsurance Frw'000 | Net Frw'000 |
| Notified claims | 2,779,078 | (473,957) | 2,305,121 |
| Incurred but not reported | 753,885 | (338,999) | 414,886 |
| Total at beginning of year | 3,532,963 | (812,956) | 2,720,007 |
| Cash paid for claims settled in year | (7,961,924) | 1,709,154 | (6,252,770) |
| Increase in liabilities: | | | |
| - Arising from previous year claims | 8,749,296 | (1,947,702) | 6,801,595 |
| - arising from current year claims | 937,240 | (110,337) | 826,903 |
| Total at end of year | 5,257,575 | (1,161,841) | 4,095,735 |
| Notified claims | 4,102,943 | (651,191) | 3,451,753 |
| Incurred but not reported | 1,154,632 | (510,650) | 643,982 |
| Total at end of year | 5,257,575 | (1,161,841) | 4,095,735 |

| 26. Insurance contract liabilities - continued | 2020 | | |
|--|------------------|------------------------|------------------|
| | Gross Frw'000 | Reinsurance Frw'000 | Net Frw'000 |
| Notified claims | 2,566,948 | (654,542) | 1,912,406 |
| Incurred but not reported | 452,866 | (138,000) | 314,866 |
| Total at beginning of year | 3,019,814 | (792,542) | 2,227,272 |
| Cash paid for claims settled in year | (6,215,386) | 1,347,168 | (4,868,218) |
| Increase in liabilities: | | | |
| - Arising from previous year claims | 6,468,920 | (1,372,357) | 5,096,563 |
| - arising from current year claims | 259,615 | 4,775 | 264,390 |
| Total at end of year | 3,532,963 | -812,956 | 2,720,007 |
| Notified claims | 2,779,078 | (473,957) | 2,305,121 |
| Incurred but not reported | 753,885 | (338,999) | 414,886 |
| Total at end of year | 3,532,963 | (812,956) | 2,720,007 |

The Company uses the chain ladder techniques to estimate the ultimate cost of claims and the IBNR. Chain ladder techniques are used as they are an appropriate technique for mature classes of business that have a relatively stable development pattern. This involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not fully developed to produce an estimated claims cost for each year. The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The table below illustrates how the Company estimates of total claims outstanding for each accident year has changed at successive year ends based on available information.

26. Insurance contract liabilities (continued)

Short term insurance contract liabilities

| Accident year | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|--|---------------|----------------|----------------|----------------|------------------|------------------|
| | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | |
| Estimate of ultimate claims costs | 3,844,926 | 4,846,622 | 9,822,079 | 5,826,472 | 9,911,023 | 34,251,122 |
| At end of accident year | 5,159,892 | 6,529,968 | 10,442,432 | 6,145,440 | - | 28,277,732 |
| One years later | 5,180,423 | 6,383,373 | 10,459,064 | - | - | 22,022,860 |
| Two years later | 4,924,396 | 6,329,867 | - | - | - | 11,254,263 |
| Three years later | 4,920,141 | 4,846,622 | 9,822,079 | - | - | 19,588,842 |
| Four years later | | | | | | |
| Current estimate of cumulative claims | 4,920,141 | 6,329,867 | 10,459,064 | 6,145,440 | 9,911,023 | 37,765,535 |
| Less: Cumulative payments to date | (4,849,589) | (6,082,546) | (10,040,618) | (5,671,603) | (7,048,978) | (33,693,334) |
| Liability in the balance sheet | 70,552 | 247,321 | 418,446 | 473,837 | 2,862,045 | 4,072,202 |
| Liability in respect to prior years | - | - | - | - | 30,741 | 30,741 |
| Incurred but not reported | 772 | 3,708 | (2,229) | 100,513 | 1,051,867 | 1,154,632 |
| Total gross claims included in the balance sheet | 71,324 | 251,030 | 416,218 | 574,350 | 3,944,653 | 5,257,575 |

27. Unearned premium reserve

Unearned Premium Reserves (UPR) represents the liability for short term business contracts where the Company's obligations are not expired at the year end. Movements in the reserve are shown below:

| | 2021 | | |
|---------------------------------|------------------|--------------------|------------------|
| | Gross Frw'000 | Revenue Frw'000 | Net Frw'000 |
| At start of year: | 4,811,615 | (1,233,222) | 3,578,393 |
| Increase/(decrease) in the year | 1,658,646 | (1,100,046) | 558,600 |
| | 6,470,261 | (2,333,268) | 4,136,993 |

| | 2020 | | |
|---------------------------------|------------------|--------------------|------------------|
| | Gross Frw'000 | Revenue Frw'000 | Net Frw'000 |
| At start of year: | 4,131,227 | (943,713) | 3,187,514 |
| Increase/(decrease) in the year | 680,388 | (289,509) | 390,879 |
| | 4,811,615 | (1,233,222) | 3,578,393 |

UPR was computed based on Regulation N°05/2009 of 29/07/2009 on licensing requirements and other requirements for carrying out insurance business in Rwanda using 365th method.

| 28. Other payables | 2021 Frw'000 | 2020 Frw'000 |
|--|------------------|------------------|
| Amounts due to related parties (Note 30) | 1,010,136 | 1,537,141 |
| Accrued expenses | 75,782 | 50,301 |
| Accrued leave | 42,349 | 38,897 |
| Government creditors | 392,321 | 593,660 |
| Cash guarantees(Deferred Income) | 768,449 | 161,025 |
| Medical claims payable | 982,311 | 656,316 |
| Other liabilities* | 314,206 | 1,209,236 |
| | 3,585,554 | 4,246,576 |

*Other liabilities include unallocated bank deposits and other payables.

29. Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 30% (2020:30%). The movement on the deferred income tax account is as below. Deferred tax assets is not recognized until such a time that the entity will make sufficient and consistent taxable profits to utilize the asset:

| | 01-Jan-21 Frw'000 | (Credit)/ debit to SOCI Frw'000 | 31 Dec 2021 Frw'000 |
|---|----------------------|---------------------------------------|------------------------|
| Deferred income tax Liabilities: | | | |
| Right of use Assets | 113,711 | (34,222) | 79,489 |
| Deferred income tax assets: | | | |
| Tangible and Intangible assets | (1,942) | (840) | (2,782) |
| ECL and incurred loss provisions | (109,651) | (55,788) | (165,439) |
| Accruals | (22,774) | (27,688) | (50,462) |
| Leasehold liabilities | (141,658) | 38,666 | (102,992) |
| Foreign exchange differences | - | (28,072) | (28,072) |
| Net Deferred Income Tax Asset | (162,314) | (107,944) | (270,258) |

29. Deferred income tax (continued)

| | 01-Jan-20 Frw'000 | (Credit)/ debit to SOCI Frw'000 | 31 Dec 2020 Frw'000 |
|--|----------------------|---------------------------------------|------------------------|
| Deferred income tax liabilities/(assets): | | | |
| Tangible and Intangible assets | 3,704 | (5,646) | (1,942) |
| Deferred income tax assets: | | | |
| Income tax losses | (72,264) | 72,264 | - |
| Accruals and credit loss provisions | (96,092) | (64,280) | (160,372) |
| Deferred Income Tax Asset | (164,652) | 2,339 | (162,314) |
| Unrecognized Deferred income tax Asset | 164,652 | (164,652) | - |
| Net Deferred income tax asset | - | (162,314) | (162,314) |

The directors have recognized the deferred income tax assets from prior year since it is now certain that this can be recovered during the ordinary course of business in future years through the generation of sufficient expected future taxable profits.

30. Related party transactions

The Company is controlled by UAP Holdings Limited incorporated in Kenya. The ultimate parent and ultimate controlling party of the Company is Old Mutual Plc, incorporated in South Africa. There are other companies that are related to Old Mutual Insurance Rwanda Plc through common shareholdings or common directorships.

The following transactions were carried out with related parties:

| a) Directors remuneration | 2021 Frw'000 | 2020 Frw'000 |
|---------------------------|-----------------|-----------------|
| Directors' fees | 74,258 | 72,075 |

| b) Key management remuneration | 2021 Frw'000 | 2020 Frw'000 |
|--|-----------------|-----------------|
| Salaries and other short term benefits | 342,512 | 345,307 |
| Post employment benefits | 13,243 | 14,089 |
| | 355,755 | 359,396 |

| c) Purchase of services | 2021 Frw'000 | 2020 Frw'000 |
|-------------------------------------|-----------------|-----------------|
| Group shared services costs payable | - | 1,537,141 |

| 30. Related party transactions (Continued) | 2021 Frw'000 | 2020 Frw'000 |
|--|--|--|
| Amounts receivable from the related parties: UAP Insurance South Sudan | 5,853 5,853 | 229 229 |
| Amount payable to related parties: UAP Holdings Kenya UAP Insurance Kenya Ltd UAP Insurance Uganda Ltd Mauritius Global Services | 147,395 342,375 7,220 513,146 1,010,136 | 146,071 290,635 1,231 1,099,433 1,537,370 |

| 32. Net impairment reversals/(losses) on insurance contract assets | 2021 Frw'000 | 2020 Frw'000 |
|--|-----------------|------------------|
| Provision for doubtful debts - Direct premium receivables (note 21) | 102,040 | (121,127) |
| Provision for doubtful debts - Reinsurance receivables (note 20) | 20,786 | (182,813) |
| | 122,826 | (303,940) |

33. Net expected credit loss reversals/(losses) on financial assets

The table below presents the net impairment loss provisions for the company's financial assets split per source:

| Financial assets in Frw'000 | 31-Dec-21 | | 31-Dec-20 | |
|--------------------------------------|-------------------|------------------|-------------------|------------------|
| | Amount '000' | ECL '000' | Amount '000' | ECL'000' |
| Government bonds - At amortized cost | 9,392,169 | (9,444) | 8,727,509 | (61,396) |
| Deposits with Financial Institutions | 9,903,296 | (92,042) | 9,026,003 | (65,885) |
| Total | 19,295,465 | (101,486) | 17,753,512 | (127,281) |

*The total ECL movement for financial assets represent impairment reversal of Frw 25,795 to make a cumulative ECL provision of Frw (101,486) as 31 December 2021 from Frw (127,281) as at 31 December 2020

| 31. Cash flow from operating activities | 31-Dec 2021 Frw'000 | 31-Dec 2020 Frw'000 |
|---|------------------------|------------------------|
| Profit before income tax | 2,276,465 | 1,854,606 |
| Adjustments for: | | |
| Investment income | (1,839,198) | (1,485,253) |
| Depreciation - PPE (Note 23) | 35,149 | 56,141 |
| Depreciation - RoU (Note 25) | 114,074 | 125,973 |
| Finance costs Lease Liability | 50,931 | 72,433 |
| Amortisation (Note 24) | 4,573 | 4,573 |
| Unrealised exchange gains | 40,517 | (1250) |
| Unrealised exchange gains on cash | | |
| Net impairment (reversals)/losses on insurance contract (note 32) | (122,826) | 303,940 |
| Expected credit (loss reversals)/losses on financial assets (Note 33) | (25,795) | 83,746 |
| Withholding tax recoverable | 116,794 | (76,652) |
| Changes in working capital: | | |
| Reinsurers share of insurance liabilities | (1,448,931) | (309,841) |
| Deferred acquisition cost | (67,384) | 68,118 |
| Receivables arising out of direct insurance arrangements | 51,712 | 282,964 |
| Receivables arising out of reinsurance arrangements | 56,296 | 16,483 |
| Other assets | (62,970) | 23,175 |
| Unearned premiums | 1,658,646 | 680,388 |
| Insurance contract liabilities | 1,724,613 | 513,148 |
| Creditors arising from reinsurance arrangements | 933,341 | 92,290 |
| Other payables and provisions | (611,861) | 259,362 |
| Cash generated from/(used in) operations | 2,844,146 | 2,564,344 |

Reconciliation of the expected credit loss allowances on financial assets:

| | 2021 Frw'000 | 2020 Frw'000 |
|--|-------------------------|-------------------------|
| Opening balance | (127,281) | (43,535) |
| Cummulative impairment loss reversals /(loss) for the year | 25,795 | (83,746) |
| | (101,486) | (127,281) |

34. Creditors arising from reinsurance arrangements

| | 2021 Frw'000 | 2020 Frw'000 |
|-------------------------------|-------------------------|-------------------------|
| Reinsurer | | |
| Swiss Re | 31,027 | 31,027 |
| Africa Reinsurance Co | - | 49,193 |
| Continental Re | 13,365 | 8,907 |
| East Africa Re | | |
| Kenya Re | 58,841 | 58,841 |
| SCOR Africa Limited | | |
| Zep Re | 86,679 | 20,234 |
| Africa Trade Insurance Agency | 118 | 118 |
| LLOYDS | | |
| AON RE | 694,439 | 173,281 |
| FIRST RE | 500,905 | 532 |
| Facultative arrangements | 270,176 | 380,077 |
| | 1,655,550 | 722,210 |

35. Contingent liabilities

In common with the insurance industry, the company is subject to litigation arising in the normal course of insurance business. Other than the amounts already provided for, the directors are of the opinion that these litigations will not have a material effect on the financial statements of the Company.

36. Impact of Covid 19 to the Company

Covid-19 has led to disruption of business and reduced economic growth. The service sector which accounts for over half of Rwanda's GDP has strongly been hit due to disruptions of travel and international trade.

The Covid 19 pandemic had significant financial impact on the business mainly on:

- Debtors and collections – the pandemic affected clients ability to promptly pay their premiums as all business took measures to manage their liquidity risks hence giving rise to credit risks. As a result we saw growth in outstanding debts necessitating carrying increase provisions in the prior year.
- Work environment – From when Covid19 erupted in the beginning of 2020, the business was forced to adopt a new way of working which consist of working remotely or hybrid way of working depending on the loval government guidelines trhoghout the period ended 2021.
- However ,despite the threat of rising credit risks, the business has managed to outperform the plan and prior year in terms of Gross Written premiums and investment income to name a few. We are projecting to keep on growing at 10.9% and our annual Gross Written premiums target is at Frw 18.5Bn for the period ending 31 December 2022 as per the company's strategic plan 2021 – 2024.

37. Events after reporting date

No material events or circumstances have arisen between the accounting date and the date of this report. (2020: None).

| Required Solvency Margin | Amount' Frw |
|--|----------------|
| Gross premium less reinsurance ceded last preceding year | 9,556,686,583 |
| Solvency Margin Required: 20% of I.1 or Rwf 500 million whichever is greater | 1,911,337,317 |
| Compliance with Solvency Margin | |
| Total Assets | 26,647,236,761 |
| Less: Non-Admitted Assets as per II.A.7 | 759,182,965 |
| Less deductions for assets subject to maximum admissible % as per II.B.7 | 2,349,229,659 |
| Admitted Assets I.3 less I.4 and I.5 | 23,538,824,137 |
| Less admitted Liabilities as per III.C.3 | 18,810,349,849 |
| Solvency Margin Available (I.6 less I.7) | 4,728,474,287 |
| Excess or (Deficiency) of solvency required (I.8 less I.2) | 2,817,136,971 |
| Solvency Coverage Ratio (I.8 divided by I.2) | 247% |
| II. A. Non -Admitted Assets | |
| Intangible assets | 3,861,797 |
| Exposures (Loans& Investments) to connected persons | 107,980,352 |
| Loans to insurance intermediaries overdue for more than 6 months | - |
| Receivables from reinsurers overdue for more than 6 months | 123,570,663 |
| Loans and other receivables overdue for more than 6 months | 6,438,758 |
| Deferred expenses, deferred taxes and prepayments | 517,331,396 |
| Total Non-Admitted Assets (add II.A.1 to 6) | 759,182,965 |

II.B Deductions for Assets

Subject to Maximum

Admissible Percentages

| | Amount | Maximum Admissible Percentage | Deductions |
|--|----------------|-------------------------------|---------------|
| | A | B | (A less AXB) |
| Investment in equities, listed | 12,500,000 | 90% | 1,250,000 |
| Investment in equities, unlisted | - | 70% | - |
| Investments in debt securities | - | 70% | - |
| Investments in properties | - | 80% | - |
| Receivables from reinsurers which are not overdue | - | 90% | - |
| (a) All other assets (total assets less II.A.7 and II.B.A 1,2,3,4 and 5) | 25,875,553,795 | | |
| Less: | | | |
| (-) cash | 1,985,616,004 | | |
| (-)Deposits balances | 9,811,253,565 | | |
| (-)Government securities | 9,382,724,909 | | |
| (b) All other assets subject to maximum % | 4,695,959,317 | 50% | 2,347,979,659 |
| Total deductions (Add II.B.1,2,3,4,5 and 6b) | 4,708,459,317 | | 2,349,229,659 |

III.C Admitted Liabilities

| | Amount on Balance Sheet | Additional percentage factor | Admitted liabilities |
|---|-------------------------|------------------------------|-----------------------|
| | A | B | (A plus AXB) |
| Technical Provision | | | |
| - Unearned premium | 6,470,260,592 | 10% | 7,117,286,651 |
| - Unexpired risk | | 10% | - |
| - Outstanding claims | 4,102,943,490 | 10% | 4,513,237,839 |
| - IBNR | 1,154,631,809 | 10% | 1,270,094,990 |
| All other liabilities (Total liabilities less Technical Provisions) | 5,909,730,369 | | 5,909,730,369 |
| Total | | | 18,810,349,849 |

Revenue Account for the period ended 31 December 2021

| | Engineering | Fire domestic | Fire Industrial | Liability | Marine | Motor private | Motor commercial | Workmen's compensation | Personal accident | Theft | Misce-llaneous | Health | Total |
|----------------------------------|-------------|---------------|-----------------|-----------|----------|---------------|------------------|------------------------|-------------------|----------|----------------|-------------|-------------|
| | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Gross written premium | 687,813 | 68,881 | 1,484,004 | 404,948 | 92,859 | 1,263,775 | 516,987 | 77,951 | 371,520 | 329,508 | 807,912 | 10,621,015 | 16,727,172 |
| Unearned premium 1 January | 153,761 | 18,588 | 326,499 | 156,882 | 23,213 | 520,456 | 161,490 | 24,250 | 45,705 | 31,502 | 63,680 | 3,285,590 | 4,811,615 |
| Unearned premium 31 DEC | (276,238) | (29,473) | (683,527) | (182,336) | (32,479) | (545,628) | (188,044) | (34,065) | (209,291) | (74,188) | (549,914) | (3,665,078) | (6,470,261) |
| Gross earned premium | 565,335 | 57,996 | 1,126,976 | 379,494 | 83,593 | 1,238,603 | 490,434 | 68,136 | 207,934 | 286,822 | 321,677 | 10,241,526 | 15,068,527 |
| Gross Claims paid | 32,423 | 11,833 | 124,454 | 2,824 | 2,981 | 488,000 | 391,268 | 3,943 | 9,660 | 15,997 | 60,815 | 6,817,728 | 7,961,924 |
| Gross Claims outstanding: | | | | | | | | | | | | | |
| At 31 December 2019 | 234,491 | 20,978 | 181,110 | 26,457 | 28,069 | 1,419,248 | 986,037 | 5,069 | 41,233 | 35,632 | 66,717 | 2,212,535 | 5,257,575 |
| At 1 January 2019 | (222,280) | (59,143) | (134,718) | (17,763) | (15,690) | (1,035,111) | (872,710) | (2,453) | (19,948) | (66,276) | (36,498) | (1,050,373) | (3,532,963) |
| Gross Claims incurred | 44,634 | (26,331) | 170,845 | 11,518 | 15,360 | 872,137 | 504,595 | 6,559 | 30,944 | (14,647) | 91,033 | 7,979,890 | 9,686,537 |
| Commission | 131,750 | 34,999 | 229,620 | 58,736 | 37,489 | 159,793 | 86,618 | 36,313 | 73,166 | 70,227 | 192,010 | 679,095 | 1,789,817 |
| Management Expenses | 8,874 | 6,390 | 100,781 | 87,746 | 29,336 | 590,262 | 156,759 | 1,652 | 144,462 | 71,709 | 11,519 | 1,179,693 | 2,389,183 |
| Total expenses | 185,259 | 15,057 | 501,246 | 158,000 | 82,185 | 1,622,192 | 747,972 | 44,523 | 248,572 | 127,290 | 294,563 | 9,838,678 | 13,865,536 |

Revenue Account for the period ended 31 December 2021 (continued)

| | Engineering | Fire domestic | Fire Industrial | Liability | Marine | Motor private | Motor commercial | Workmen's compensation | Personal accident | Theft | Misce-llaneous | Health | Total |
|--------------------------------|-------------|---------------|-----------------|-----------|----------|---------------|------------------|------------------------|-------------------|----------|----------------|-------------|-------------|
| | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Gross underwriting profit | 380,076 | 42,939 | 625,730 | 221,494 | 1,408 | (383,589) | (257,538) | 23,613 | (40,638) | 159,532 | 27,115 | 402,848 | 1,202,990 |
| Net written premium | 21,416 | 15,982 | 75,831 | 92,105 | 15,014 | 512,767 | 159,100 | 23,891 | 45,061 | 31,035 | 6,181 | 2,580,009 | 3,578,393 |
| Unearned premium 1 January | (32,890) | (25,396) | (109,716) | (142,594) | (21,660) | (508,860) | (175,351) | (31,765) | (118,623) | (46,339) | (8,737) | (2,915,063) | (4,136,993) |
| Unearned premium 31 DEC | 69,868 | 50,176 | 194,351 | 223,163 | 51,217 | 1,183,035 | 465,093 | 63,065 | 163,108 | 153,898 | 20,284 | 8,105,880 | 10,743,139 |
| Net earned premium | (900) | 11,633 | 53,089 | 1,505 | 542 | 343,343 | 355,594 | 3,943 | 9,660 | 16,979 | (11,156) | 5,468,538 | 6,252,770 |
| Net Claims outstanding: | | | | | | | | | | | | | |
| At 31 DEC | 77,481 | 28,434 | 63,922 | 10,866 | 23,908 | 1,287,908 | 820,607 | 5,069 | 38,650 | 22,867 | 17,708 | 1,698,315 | 4,095,735 |
| At 1 January | (83,889) | (56,939) | (77,057) | (11,302) | (15,660) | (974,441) | (643,146) | (2,453) | (18,347) | (45,809) | (8,318) | (782,646) | (2,720,007) |
| Net Claims incurred | (7,307) | (16,872) | 39,954 | 1,069 | 8,790 | 656,811 | 533,055 | 6,559 | 29,962 | (5,964) | (1,765) | 6,384,207 | 7,628,498 |
| Commission | (20,749) | 30,828 | (113,537) | 29,178 | 30,446 | 136,021 | 74,140 | 35,497 | 35,063 | 17,864 | (6,700) | (45,729) | 202,323 |
| Management expenses | 8,874 | 6,390 | 100,781 | 87,746 | 29,336 | 590,262 | 156,759 | 1,652 | 144,462 | 71,709 | 11,519 | 1,179,693 | 2,389,183 |
| Total expenses | (19,182) | 20,345 | 27,197 | 117,993 | 68,573 | 1,383,094 | 763,954 | 43,708 | 209,487 | 83,609 | 3,054 | 7,518,171 | 10,220,003 |
| Net underwriting profit | 89,050 | 29,831 | 167,153 | 105,170 | (17,356) | (200,058) | (298,861) | 19,357 | (46,379) | 70,289 | 17,231 | 587,710 | 523,136 |

Revenue Account for the period ended 31 December 2020

| | Engineering | Fire domestic | Fire Industrial | Liability | Marine | Motor private | Motor commercial | Workmen's compensation | Personal accident | Theft | Misce-llaneous | Health | Total |
|----------------------------|-------------|---------------|-----------------|-----------|---------|---------------|------------------|------------------------|-------------------|----------|----------------|-----------|------------|
| | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Gross written premium | 324,442 | 39,185 | 801,578 | 339,511 | 59,565 | 1,259,042 | 437,126 | 49,123 | 115,236 | 119,775 | 136,746 | 8,994,770 | 12,676,098 |
| Unearned premium 1 January | 127,534 | 17,402 | 171,383 | 108,442 | 24,602 | 473,013 | 88,682 | 86,744 | 33,025 | 24,710 | 66,895 | 2,908,796 | 4,131,227 |
| Unearned premium 31 DEC | 153,761 | 18,588 | 326,499 | 156,882 | 23,213 | 520,456 | 161,490 | 24,250 | 45,705 | 31,502 | 63,680 | 3,285,590 | 4,811,615 |
| Gross earned premium | 298,215 | 38,000 | 646,461 | 291,071 | 60,953 | 1,211,599 | 364,318 | 111,617 | 102,556 | 112,983 | 139,962 | 8,617,976 | 11,995,711 |
| Gross Claims paid | 7,772 | 29,234 | 174,822 | 1,271 | 1,067 | 391,787 | 230,183 | 986 | 7,305 | 25,271 | 113,583 | 5,232,105 | 6,215,386 |
| Gross Claims outstanding: | | | | | | | | | | | | | |
| At 31 December 2019 | 222,280 | 59,143 | 134,718 | 17,763 | 15,690 | 1,035,111 | 872,710 | 2,453 | 19,948 | 66,276 | 36,498 | 1,050,373 | 3,532,963 |
| At 1 January 2019 | 41,748 | 30,231 | 314,302 | 13,177 | 9,493 | 1,125,506 | 649,722 | 3,950 | 20,152 | 49,566 | 114,116 | 647,852 | 3,019,814 |
| Gross Claims incurred | 188,304 | 58,146 | (4,762) | 5,857 | 7,264 | 301,392 | 453,171 | (511) | 7,101 | 41,981 | 35,965 | 5,634,627 | 6,728,534 |
| Commission | 82,859 | 24,862 | 145,215 | 56,888 | 27,633 | 150,913 | 65,163 | 26,007 | 43,589 | 33,246 | 32,597 | 723,853 | 1,412,825 |
| Management expenses | 10,543 | 7,591 | 119,733 | 104,247 | 34,853 | 701,266 | 186,239 | 1,962 | 171,630 | 85,195 | 13,685 | 1,401,545 | 2,838,490 |
| Total expenses | 281,706 | 90,600 | 260,186 | 166,992 | 69,751 | 1,153,572 | 704,573 | 27,458 | 222,319 | 160,421 | 82,247 | 7,760,024 | 10,979,849 |
| Gross underwriting profit | 16,509 | (52,600) | 386,276 | 124,079 | (8,797) | 58,027 | (340,255) | 84,159 | (119,763) | (47,439) | 57,715 | 857,952 | 1,015,862 |
| Net written premium | 54,469 | 33,602 | 205,631 | 204,424 | 37,857 | 1,240,409 | 430,657 | 47,618 | 113,428 | 115,817 | 19,679 | 7,053,095 | 9,556,687 |

Revenue Account for the period ended 31 December 2020 (Continued)

| | Engineering | Fire domestic | Fire Industrial | Liability | Marine | Motor private | Motor commercial | Workmen's compensation | Personal accident | Theft | Misce-llaneous | Health | Total |
|----------------------------|-------------|---------------|-----------------|-----------|----------|---------------|------------------|------------------------|-------------------|----------|----------------|-----------|-----------|
| | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 | Frw'000 |
| Unearned premium 1 January | 21,108 | 15,152 | 71,902 | 63,505 | 17,341 | 466,027 | 87,369 | 85,223 | 29,197 | 20,639 | 13,164 | 2,296,885 | 3,187,514 |
| Unearned premium 31 DEC | 21,416 | 15,982 | 75,831 | 92,105 | 15,014 | 512,767 | 159,100 | 23,891 | 45,061 | 31,035 | 6,181 | 2,580,009 | 3,578,393 |
| Net earned premium | 54,161 | 32,772 | 201,703 | 175,824 | 40,184 | 1,193,669 | 358,926 | 108,951 | 97,564 | 105,421 | 26,663 | 6,769,970 | 9,165,808 |
| Net Claims paid | 6,149 | 29,234 | 93,727 | 1,271 | 900 | 341,745 | 204,912 | 986 | 7,305 | 24,920 | 8,864 | 4,148,206 | 4,868,218 |
| Net Claims outstanding: | | | | | | | | | | | | | |
| At 31 DEC | 83,889 | 56,939 | 77,057 | 11,302 | 15,660 | 974,441 | 643,146 | 2,453 | 18,347 | 45,809 | 8,318 | 782,646 | 2,720,007 |
| At 1 January | 34,738 | 29,802 | 122,474 | 13,177 | 11,943 | 1,083,948 | 514,432 | 3,950 | 20,130 | 16,835 | 38,200 | 337,642 | 2,227,272 |
| Net Claims incurred | 55,299 | 56,371 | 48,310 | (605) | 4,617 | 232,237 | 333,626 | (511) | 5,522 | 53,894 | (21,019) | 4,593,210 | 5,360,953 |
| Commission | 9,940 | 22,645 | (24,396) | 33,015 | 22,301 | 131,206 | 58,488 | 25,690 | 40,297 | 32,617 | 2,775 | 117,272 | 471,851 |
| Management expenses | 10,543 | 7,591 | 119,733 | 104,247 | 34,853 | 701,266 | 186,239 | 1,962 | 171,630 | 85,195 | 13,685 | 1,401,545 | 2,838,490 |
| Total expenses | 75,782 | 86,607 | 143,648 | 136,658 | 61,771 | 1,064,710 | 578,353 | 27,141 | 217,449 | 171,706 | (4,559) | 6,112,026 | 8,671,293 |
| Net underwriting profit | (21,621) | (53,835) | 58,055 | 39,166 | (21,586) | 128,959 | (219,427) | 81,810 | (119,884) | (66,286) | 31,222 | 657,944 | 494,515 |
| | | | | | | | | | | | | | |

END!

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