

**RADIANT INSURANCE  
COMPANY LTD**

**ANNUAL FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

[www.gpopartners.com](http://www.gpopartners.com)

**GPO Partners**

**Audit | Accounting | Tax | Advisory**

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Content**

---

	<b>Page</b>
Corporate Information	<b>2 - 3</b>
Directors' Report	<b>4</b>
Statement of Corporate Governance	<b>5 - 6</b>
Statement of Directors' Responsibilities	<b>7</b>
Independent Auditor's Report	<b>8 - 10</b>
Financial Statements:	
Statement of Comprehensive Income	<b>11</b>
Statement of Financial Position	<b>12</b>
Statement of Changes in Equity	<b>13</b>
Statement of Cash Flows	<b>14</b>
Notes to the Financial Statements	<b>15 - 47</b>
Other Disclosures by Insurers	<b>48 - 53</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Corporate Information**

**Registered Office**

RADIANT INSURANCE COMPANY LIMITED  
 KN2 Avenue  
 CHIC Building  
 P.O. Box 1861  
 Kigali – Rwanda

**Shareholding structure – 31 December 2022**

No	Shareholder	Share group	Number of Shares	Share Capital (Frw' 000)	Shareholding %
1	Berthe KITENGE	Ordinary Share	1,625,000	1,625,000	25.0%
2	Yussuf MUDAHERANWA	Ordinary Share	1,625,000	1,625,000	25.0%
3	Faustin KASHUGERA	Ordinary Share	650,000	650,000	10.0%
4	Valens RURANGWA	Ordinary Share	975,000	975,000	15.0%
5	Martin HIGIRO	Ordinary Share	650,000	650,000	10.0%
6	Ruth MUKANTABANA	Ordinary Share	325,000	325,000	5.0%
7	Edouard RUTERANA	Ordinary Share	325,000	325,000	5.0%
8	Phoebe KAMUGWIZA	Ordinary Share	162,500	162,500	2.5%
9	Jean Baptiste GASANGWA	Ordinary Share	162,500	162,500	2.5%
	<b>TOTAL</b>		<b>6,500,000</b>	<b>6,500,000</b>	<b>100%</b>

**Shareholding structure – 31 December 2021**

No	Shareholder	Share group	Number of Shares	Share Capital (Frw' 000)	Shareholding %
1	Berthe KITENGE	Ordinary Share	1,000,000	1,000,000	25.0%
2	Yussuf MUDAHERANWA	Ordinary Share	1,000,000	1,000,000	25.0%
3	Faustin KASHUGERA	Ordinary Share	400,000	400,000	10.0%
4	Valens RURANGWA	Ordinary Share	600,000	600,000	15.0%
5	Martin HIGIRO	Ordinary Share	400,000	400,000	10.0%
6	Ruth MUKANTABANA	Ordinary Share	200,000	200,000	5.0%
7	Edouard RUTERANA	Ordinary Share	200,000	200,000	5.0%
8	Phoebe KAMUGWIZA	Ordinary Share	100,000	100,000	2.5%
9	Jean Baptiste GASANGWA	Ordinary Share	100,000	100,000	2.5%
	<b>TOTAL</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>100%</b>

**Directors**

The Directors who were in office at the date of this report are indicated below:

Mr. TWIRINGIYEMUNGU Joseph	Non-Executive Director	Retired in May 2022
Mrs. NYIRANEZA Joyce	Non-Executive Director	Appointed April 2019
Mr. RUGIRAMAZA Gilbert	Non-Executive Director	Appointed September 2020
Mr. MUZIGA Jean Léonard	Non-Executive Director	Retired in November 2022
Mrs. MUKANEZA Sandra	Non-Executive Director	Appointed December 2020
Mr. KABAKA François Régis	Non-Executive Director	Appointed December 2020
Mrs. NIYONKURU Clementine	Non-Executive Director	Appointed December 2020

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Corporate information - Continued**

**Directors – Continued**

Mr. KARANGWA Fidel	Non-Executive Director	Appointed May 2022
Mr. MAKUZA Bernard	Non-Executive Director	Appointed December 2022

**Company Secretary**

SEKABUGA Emmanuel  
 KN2 Ave. Chic Building  
 P.O. Box 1861  
 Kigali, Rwanda

**Auditors**

**GPO Partners Rwanda Ltd**

KG 7 Avenue  
 Kacyiru - Aurore Building  
 P.O. Box 1902  
 Kigali, Rwanda

**BANKERS**

**Equity Bank Rwanda Plc**  
 P.O. Box 494  
 Kigali, Rwanda

**I&M Bank Rwanda Plc**  
 P.O. Box 354  
 Kigali, Rwanda

**Guaranty Trust Bank (Rwanda) Plc**  
 P.O. Box 331  
 Kigali, Rwanda

**KCB Bank Rwanda Plc**  
 P.O. Box 5612  
 Kigali, Rwanda

**Ecobank Limited**  
 P.O. Box 3268  
 Kigali, Rwanda

**CBA Plc**  
 P.O. Box 4312  
 Kigali, Rwanda

**Bank of Kigali Plc**  
 P.O. Box 175  
 Kigali, Rwanda

**Cogebanque Plc**  
 P.O. Box 4062  
 Kigali, Rwanda

**Goshen Finance**  
 P.O. Box 4787  
 Kigali, Rwanda

**Banque Populaire du Rwanda Plc**  
 P.O. Box 1348  
 Kigali Rwanda

**Urwego Opportunity Bank Plc**  
 P.O. Box 748  
 Kigali, Rwanda

**Duterimbere-IMF,Plc**  
 P.O Box 6719  
 Kigali Rwanda

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

**ACCESS Bank Rwanda Plc**  
 P.O Box 2059  
 Kigali Rwanda

**Umutanguha Finance Plc**  
 P.O Box 2998  
 Kigali,Rwanda

**Letshego Holdings Plc**  
 P.O. Box 6839  
 Kigali, Rwanda

**Copedu Plc**  
 P.O. Box 4053  
 Kigali, Rwanda

**Zigama Credit & Savings Society**  
 P.o Box 4772  
 Kigali, Rwanda

**UNGUKA Bank Plc**  
 P.O Box 6417  
 Kigali, Rwanda

**Amasezerano Community Banking**  
 P.O Box 4691  
 Kigali, Rwanda

**Axon Tungana Microfinance Plc**  
 P.O Box 6441  
 Kigali, Rwanda

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Directors' Report**

---

The Directors submit their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of the company's affairs of RADIANT INSURANCE COMPANY Limited.

**Incorporation**

The company was incorporated in September 2012.

**Principal activity**

RADIANT Insurance Company Limited underwrites non-life Insurance risks, such as those associated with motor, property, medical and third-party liabilities. The Company is a limited liability company incorporated and domiciled in Rwanda.

**Results and dividends**

The profit for the year of Frw 735 million (2021: profit of Frw 723 million) has been added to retained earnings. The directors do not recommend payment of dividend for the year (2021: Nil).

**Directors**

The Directors who held office during the year and to the date of this report are set out on page 2.

**Auditors**

The auditors, GPO Partners Rwanda Ltd, were appointed during the year 2022 in accordance with Regulation no14/2017 of 23/11/2017 on accreditation requirements and other conditions for external auditors for financial institutions.

**By order of the Board**

.....29/03/..... 2023



**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Statement of Corporate Governance - Continued**

RADIANT Insurance Company Ltd is accredited by the National Bank of Rwanda to provide short-term insurance. Its primary objective is to provide clients with credible, innovative and tailor-made short-term insurance products. RADIANT Insurance company Ltd takes the guesswork out of insurance, by working fast and successfully delivering fit-for-purpose market-leading insurance products and practices to clients across Rwanda.

**Board of Directors**

The Directors in the company's board during the year ended 31 December 2022 are listed on page 2.

Though the overall responsibility of monitoring and controlling the operational and financial performance of RADIANT INSURANCE COMPANY Ltd vests with the Board, the day to day management of the company has been delegated to the Chief Executive Officer. The Board of Directors meets at least quarterly and is chaired by an independent non-executive director.

**Board Audit Committee**

The Board Audit Committee comprises three Directors. Its key objective is to assist the Board in providing an independent review of the effectiveness of the financial reporting process and internal control system of RADIANT INSURANCE COMPANY Ltd. It will review the performance and findings of Internal Audit and external auditors and recommend appropriate remedial action at least quarterly. The members are:

Mr. KABAKA François Régis	Chairperson	Independent Director
Mr. RUGIRAMAZA Gilbert	Member	Independent Director
Mrs. NYIRANEZA Joyce	Member	Independent Director
Mr. MUZIGA Jean Léonard	Member	Non-Independent Director

**Board Underwriting and Claims Strategy Committee**

The Board Underwriting and Claims Strategy Committee key objectives is to assist the Board in establishing and reviewing the company's underwriting and claims policies and guidelines including monitoring overall risk tolerance and risk appetite, establishing policy on fraud detection and prevention, establishing and reviewing claims policies and procedures, and establishing and reviewing policies and guidelines governing the Company's reinsurance treaties arrangements. The members are:

Mrs. NYIRANEZA Joyce	Chairperson	Independent Director
Mrs. MUKANEZA Sandra	Member	Non-Independent Director
Mrs. NIYONKURU Clementine	Member	Non-Independent Director
Mr. KABAKA François Régis	Member	Independent Director

**Board Risk Management Committee**

The Board Risk Management Committee comprises four directors. Its key objective is to oversee the Risk Management Policy of the organization. The Committee is responsible for reviewing and assessing the integrity and effectiveness of the risk management system and ensure that all material risks are identified, measured, monitored and reported. The members are:

Mr. RUGIRAMAZA Gilbert	Chairperson	Independent Director
Mrs. MUKANEZA Sandra	Member	Non-Independent Director
Mrs. NIYONKURU Clementine	Member	Non-Independent Director
Mr. MUZIGA Jean Léonard	Member	Non-Independent Director

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Statement of Corporate Governance - Continued**

**Management Committee**

The Management Committee meets once every week and comprises the executive and senior staff. Its key objective is to monitor the implementation of overall strategy of the company. The committee reviews company's performance of all departments each week and particularly ensures that RADIANT Insurance Company Ltd financial results are maintained.

The table below contains the members of the Management/Executive Committee:

<b>Names of Executive Directors</b>	<b>Position</b>
Mr. RUGENERA Marc	Chief Executive Officer
Mr. HAKIZIMANA Yassin	Director of Administration and Finance
Mrs. UWERA Angélique	Director of Medical Insurance
Ms. KASINE Sarah	Technical Director
Mrs. MUTETERI Solange	Claims Director
Mr. NKULIKIYINKA Pierre Claver	Reinsurance and risk Manager
Mr. ABIZEYE Jean Damascène	Chief Risk Officer

**Compliance with Laws**

The Board is satisfied that the Company has to the best of its knowledge, complied with all the laws applicable and has conducted its business in accordance with the relevant laws.

**Internal Controls**

The Board has a collective responsibility for the Company's internal controls and for reviewing their effectiveness. It relies on the Management to establish and manage these and has an internal auditor to monitor the compliance with the policies and procedures as set out by the Company. The internal auditor also reviews the controls efficacy to ensure that they are in line with best practices and they safeguard Company's assets, transactions accurately and timely recorded and errors detected within reasonable time.

**Attendance of Board Meetings**

In 2022, the attendance at Board meetings is set out below:

<b>Name</b>	<b>Number of meetings held</b>	<b>Number of meeting attended.</b>	<b>Attendance %</b>
Mr. TWIRINGIYEMUNGU Joseph	3	3	100%
Mrs. NYIRANEZA Joyce	6	6	100%
Mr. RUGIRAMAZA Gilbert	6	6	100%
Mr. MUZIGA Jean Léonard	5	4	80%
Mrs. MUKANEZA Sandra	6	6	100%
Mr. KABAKA François Régis	6	6	100%
Mrs. NIYONKURU Clementine	6	6	100%
Mr. KARANGWA Fidèle	4	4	100%
Mr. MAKUZA Bernard	1	1	100%

**RADIANT INSURANCE COMPANY LIMITED**

**Annual Financial Statements for the year ended 31 December 2022**

**Statement of Directors' Responsibilities**

---

The Law No. 007/2021 of 05/02/2021 governing companies, regulation n° 2100 /2018 – 00012 [614] of 12/12/2018 of the national bank of Rwanda governing the organisation of microinsurance business, BNR Regulations and others supervisory requirements require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its operating results for that year. The Laws also require the Directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Law No. 007/2021 of 05/02/2021 governing companies, regulation n° 2100 /2018 – 00012 [614] of 12/12/2018 of the national bank of Rwanda governing the organisation of microinsurance business, BNR Regulations and other supervisory requirements. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its loss in accordance with International Financial Reporting Standards.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

**Approval of the Financial Statements**

The financial statements of RADIANT INSURANCE COMPANY Limited, were approved by the Board of Directors on ...28/03/2023...and signed by:

  
.....  
**Director**



  
.....  
**Director**



**To the Shareholders of RADIANT INSURANCE COMPANY Limited**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of RADIANT INSURANCE COMPANY Ltd which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of Law No. 007/2021 of 05/02/2021 governing companies, Regulation n° 2310/2018 - 00014[ 614] of 27/12/2018 on licensing conditions for insurers and reinsurers, BNR Regulations and others supervisory requirements.

#### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Institute of Certified Public Accountants of Rwanda Code of ethics (ICPAR Code of Ethics). We have fulfilled our other ethical responsibilities in accordance with the ICPAR Code of Ethics and in accordance with other ethical requirements applicable to performing audits in Rwanda. The ICPAR Code of Ethics is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

Management is responsible for the "other information". The other information comprises the information included in the Directors report and the Statement of Corporate Governance, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## Independent Auditor's Report – Continued

### Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified the following key audit matters in respect of the financial statements.

Key audit matter	How the matter was addressed in the audit
<p><b>Insurance contract liabilities (refer to note 36)</b></p> <p>The Company has insurance contract liabilities. Valuation of these liabilities is highly judgemental and requires a number of assumptions to be made that have high estimation uncertainty. This is particularly the case for those liabilities that are recognised in respect of claims that have occurred, but have not yet been reported to the Company.</p> <p>There is also significant judgement over uncertain future outcomes, mainly the ultimate total settlement of the policyholder liabilities.</p> <p>The key assumptions that drive the reserving calculations include claims expense, loss ratios, investment returns, and persistency (including consideration of policyholder behaviour), expenses and expense inflation, withdrawals and sensitivity analysis.</p> <p>The assumptions to be made have high estimation uncertainty and changes in the estimates may lead to material impact on the valuation of the liabilities. The valuation also depends on accurate data extraction from the information systems. If the data used is not complete and accurate then material impacts on the valuation of policyholder liabilities may also arise. Due to the high level of judgment, sensitivity of the assumptions used and complexity of the valuation of insurance contract liabilities, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>→ Evaluating and testing key controls around the claims handling and reserve setting processes of the Company;</li> <li>→ Checking for any unrecorded insurance contract liabilities at the end of the period;</li> <li>→ Checking samples of claims reserves through comparing the estimated amount of the reserve to appropriate documentation, such as reports from loss adjusters;</li> <li>→ Re-performing reconciliations between the data recorded in the financial systems and the data used in the actuarial reserving calculations;</li> <li>→ Re-projecting the incurred but not reported reserve balances using the actuarially-determined reserve percentages per class of business;</li> <li>→ Considering the validity of management's liability adequacy testing by assessing the reasonableness of the projected cash flows and challenging the assumptions adopted in the context of company and industry experience data and specific product features;</li> <li>→ Comparing the assumptions to expectations based on the Company's historical experience, current trends and our own industry knowledge;</li> <li>→ Evaluating the governance around the overall company reserving process, including the scrutiny applied by the internal and appointed external actuaries. We assessed qualifications and experience of those responsible and examined the output of the reviews to assess the scope and depth of these processes.</li> <li>→ Using our actuarial specialists to review the reserving methodology including assumptions applied and analytically reviewing the valuation results presented and movements since the previous year-end. We focused on understanding the methodologies applied and examined areas of judgement such as changes in valuation assumptions; and</li> <li>→ Considering whether the company's disclosures in relation to the assumptions used in the valuation are compliant with the relevant accounting requirements in particular the sensitivities of these assumptions to alternative scenarios and inputs.</li> </ul>

## **Independent Auditor's Report – Continued**

### **Independence**

We are independent of the Company in accordance with IESBA International Code of Ethics for Professional Accountants (including International Independence Standards). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### **Responsibilities of the Directors for the Financial Statements**

Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards, the reporting requirements under Law No. 007/2021 of 05/02/2021 governing companies, regulation n° 2100 /2018 – 00012 [614] of 12/12/2018 of the national bank of Rwanda governing the organisation of microinsurance business, BNR Regulations and others supervisory requirements and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.

## Independent Auditor' s Report – Continued

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other legal and regulatory requirements

Law N°007/2021 of 05/02/2021 governing companies and the reporting requirements under, regulation n° 2100 /2018 – 00012 [614] of 12/12/2018 of the national bank of Rwanda governing the organisation of microinsurance business, BNR Regulations and others supervisory requirements report to you, based on our audit, that:

- i. There are no circumstances that may create threat to our independence as auditor of the RADIANT INSURANCE COMPANY Ltd;
- ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- iii. In our opinion proper books of account have been kept by RADIANT INSURANCE COMPANY, so far as appears from our examination of those books; and
- iv. We have no relationship, interest or debt with RADIANT INSURANCE COMPANY Ltd.
- v. We have communicated to the RADIANT INSURANCE COMPANY Ltd Board of Directors, through a separate management letter, internal control matters identified in the course of our audit including our recommendations in relation to those matters.

For GPO PARTNERS RWANDA LTD

Patrick GASHAGAZA

Partner

...30.03/2023



**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Statement of Comprehensive Income for the year ended 31 December 2022**

	Note	2022 Frw' 000	2021 Frw' 000
Gross written premiums	6	15,033,321	13,773,910
Change in unearned premiums reserve	7	(528,839)	(62,709)
Premiums ceded to reinsurance	8	(2,823,150)	(3,033,818)
<b>Net insurance revenue</b>		<b>11,681,332</b>	<b>10,677,383</b>
Gross claims paid	9	(10,993,144)	(9,805,715)
Change in outstanding claims reserve	10	(174,140)	79,171
Claims ceded to reinsurance	11	1,557,547	1,015,865
<b>Net insurance claims</b>		<b>(9,609,737)</b>	<b>(8,710,679)</b>
Fees and commission income	12	517,407	528,817
Commission expenses	13	(1,051,408)	(847,683)
<b>Underwriting profit before management expenses</b>		<b>1,537,594</b>	<b>1,647,838</b>
Management expenses	14	(3,209,990)	(3,071,065)
<b>Underwriting profit</b>		<b>(1,672,396)</b>	<b>(1,423,227)</b>
Investment income	15	1,048,437	1,146,594
Policy accessories income	16	1,573,748	1,456,570
Other income	17	55,203	12,471
<b>Operating profit</b>		<b>1,004,992</b>	<b>1,192,408</b>
Finance cost	18	(71,612)	(61,116)
<b>Profit before tax</b>		<b>933,380</b>	<b>1,131,292</b>
Taxation	19	(198,084)	(408,346)
<b>Profit for the year</b>		<b>735,296</b>	<b>722,946</b>

The notes on pages 16 to 47 are an integral part of these financial statements.

# RADIANT INSURANCE COMPANY LIMITED

Annual Financial Statements for year the ended 31 December 2022

## Statement of Financial Position as at 31 December 2022

	Note	2022 Frw' 000	2021 Frw' 000
<b>Assets</b>			
Cash and cash equivalents	20	1,571,488	1,827,699
Investments in term deposits	21	500,000	906,000
Investment in treasury bonds	22	2,768,000	3,500,100
Investment in unquoted securities	23	360,000	360,000
Premiums receivable	24	643,066	518,675
Receivables arising out from re- insurance - arrangements	25	2,484,798	3,162,349
Receivables arising out of co- insurance arrangements	26	293,801	96,617
Reinsurance share in insurance contracts liabilities	27	2,119,168	2,609,289
Dues from connected persons	28	-	4,845,998
Deferred acquisition costs	29	422,010	350,473
Other receivables	30	1,617,803	1,124,303
Inventories	31	33,328	37,813
Income tax receivable	19	152,513	-
Investment property	32	12,641,576	1,779,361
Property and equipment	33	185,732	224,607
Right of use asset	34	217,070	740,901
Intangible assets	35	359,919	372,329
<b>Total Assets</b>		<b>26,370,272</b>	<b>22,456,514</b>
<b>Liabilities</b>			
Insurance contracts liabilities	36	11,746,718	11,094,272
Payable arising out of reinsurance arrangement	37	1,624,450	2,510,506
Payables arising out of co- insurance arrangements	38	180,106	151,890
Other payables	39	2,695,011	789,009
Income tax payable	19	-	174,403
Lease liability	40	237,371	758,884
Grants		-	1,025
Deferred tax liability	19	130,107	255,311
<b>Total liabilities</b>		<b>16,613,763</b>	<b>15,735,300</b>
<b>Equity</b>			
Ordinary share capital	41	6,500,000	4,000,000
Unallotted shares		-	200,000
Revaluation reserve	42	1,329,419	1,329,419
Retained earnings		1,927,090	1,191,795
<b>Total equity</b>		<b>9,756,509</b>	<b>6,721,214</b>
<b>Total equity and liabilities</b>		<b>26,370,272</b>	<b>22,456,514</b>

These financial statements were approved by the Board of Directors on 19/03/2023 and signed on its behalf by:

  
 Director

  
 Director

The notes on pages 16 to 47 are an integral part of these financial statements.

**RADIANT INSURANCE COMPANY LIMITED**  
Annual Financial Statements for the year ended 31 December 2022

**Statement of Changes in Equity**

	Share capital	Unallotted shares	Revaluation reserve	Retained earnings	Total Equity
	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000
As at 1 January 2021	4,000,000	-	-	468,850	4,468,850
<b>Transactions with owners:</b>					
Receipts of share capital - unallotted	-	200,000	-	-	200,000
<b>Comprehensive income:</b>					
Profit for the year	-	-	-	722,946	722,946
Revaluation reserve	-	-	1,329,419	-	1,329,419
Rounding differences	-	-	-	(1)	(1)
<b>As at 31 December 2021</b>	<b>4,000,000</b>	<b>200,000</b>	<b>1,329,419</b>	<b>1,191,795</b>	<b>6,721,214</b>
As at 1 January 2022	4,000,000	200,000	1,329,419	1,191,795	6,721,214
<b>Transactions with owners:</b>					
Receipts of share capital	2,500,000	(200,000)	-	-	2,300,000
<b>Comprehensive income:</b>					
Profit for the year	-	-	-	735,296	735,296
Rounding differences	-	-	-	(1)	(1)
<b>As at 31 December 2022</b>	<b>6,500,000</b>	<b>-</b>	<b>1,329,419</b>	<b>1,927,090</b>	<b>9,756,509</b>

The notes on pages 16 to 47 are an integral part of these financial statements

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Statement of Cash Flows**

	Note	2022 Frw' 000	2021 Frw' 000
<b>Operating activities</b>			
Cash flows generated from operations	43	8,151,417	589,785
Tax (paid)/refunded	19	(650,203)	313,482
<b>Cash generated from operating activities</b>		<b>7,501,214</b>	<b>903,267</b>
<b>Investing activities</b>			
Investments made in treasury bonds			
Additional investments in unquoted securities	22	(1,657,900)	(1,350,000)
Investments made in term deposits	23	-	(100,000)
Receipts upon treasury bonds maturities	21	(500,000)	(906,000)
Receipts upon term deposits maturities	22	2,390,000	400,000
Acquisition of property and equipment	21	906,000	1,550,000
Acquisition of intangible assets	33	(50,770)	(63,127)
Acquisition of investment property	35	-	(19,975)
	32	(10,876,372)	-
<b>Cash used in investing activities</b>		<b>(9,789,042)</b>	<b>(489,102)</b>
<b>Financing activities</b>			
Receipts of share capital	41	2,300,000	200,000
Interest on Reinsurers' deposits	18	(15,813)	(21,270)
Lease payments	40	(252,570)	(268,830)
<b>Cash (used in)/ from financing activities</b>		<b>2,031,617</b>	<b>(90,100)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(256,211)</b>	<b>324,065</b>
Cash and cash equivalents at start of year	20	1,827,699	1,503,634
<b>Cash and cash equivalents at end of year</b>	<b>20</b>	<b>1,571,488</b>	<b>1,827,699</b>

The notes on pages 16 to 47 are an integral part of these financial statements.



**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements**

---

**1. Corporate Information**

RADIANT Insurance Company Ltd is accredited by the National Bank of Rwanda to provide short-term insurance. Its primary objective is to provide clients with credible, innovative and tailor-made short-term insurance products. RADIANT Insurance company Ltd takes the guesswork out of insurance, by working fast and successfully delivering fit-for-purpose market-leading insurance products and practices to clients across Rwanda. The company's registered office is at:

*KN2 Avenue. CHIC Building  
P.O. Box 1861  
Kigali, Rwanda*

**2. Significant Accounting Policies**

The principal accounting policies adopted in the preparation of this financial statement are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

**a) Basis of preparation**

The financial statements are prepared under the historical cost convention unless otherwise stated in the accounting policies below. The financial statements are presented in Rwandan Francs (FRW), rounded to the nearest thousand. The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in **Note 4** of the financial statements.

**b) Statement of Compliance**

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS), the requirements of the Law N°007/2021 of 05/02/2021 governing companies, Law no. 52/2008 Of 10/09/2008 governing the organization of Insurance Business in Rwanda and BNR Regulations and others supervisory requirements.

**c) Insurance contracts**

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The company classifies its business in accordance with the provisions of the Insurance Regulations.

Classes of short-term insurance business Include Engineering insurance, Fire insurance – domestic risks, Fire insurance - industrial and commercial risks, Liability insurance, Marine Insurance, Motor insurance - private vehicles, Medicare insurance, third party liability, business combined insurance, property and travel insurance.

**d) Recognition and measurement**

**Premium income**

Premium income on issuance of contracts is recognised on assumption of risks, and includes estimates of premiums due but not yet received, less an allowance for cancellations, and 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 year end, and is computed using the 365ths method. Premiums are shown before deduction of commission.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

---

**Recognition and measurement - Continued**

***Claims and policyholder's benefits***

Payable Claims and policyholders' benefits incurred comprise claims and policyholders' benefits paid in the year and changes in the provision for outstanding claims and policyholders' benefits. Claims and policyholders' benefits paid represent all payments made during the year, whether arising from events during that or earlier years. Outstanding claims and policyholders' benefits represent the estimated ultimate cost of settling all claims and policyholders' benefits arising from incidents occurring prior to the year-end date, but not settled at that date. Outstanding claims and policyholders' benefits are computed on the basis of the best information available at the time the records for the year are closed, and include provisions for claims incurred but not reported ("IBNR") in the case of short-term business.

Outstanding claims and policyholders' benefits are not discounted.

***Commissions payable***

Commissions payable are recognised in the period in which the related premiums are written.

***Liability adequacy test***

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

***Reserves for unearned premium***

In compliance with the Insurance Regulations, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year. Short-duration life insurance contracts protect the Company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

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

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

A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR)"

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**e) Revenue recognition**

Insurance premium revenue: The revenue recognition policy relating to insurance contracts is set out under note 2(d).

Commissions receivable are recognized as income in the period in which they are earned.

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

**f) Property and equipment**

Items of property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is charged on a reducing balance method to allocate their cost to their residual values over the estimated useful lives of the assets at the following rates:

Property	20 Years
Motor vehicles	4 Years
Computers	2 Years
Furniture, fixtures and equipment	4 Years

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in the profit and loss account

**g) Intangible assets**

The company's intangible assets are made of Establishment & Development costs and computer software.

The establishment and development costs were initially recognised at cost are amortized over 5 years.

Computer software is recognised at cost less amortisation and impairment charges. Computer software packages acquired are initially recognised at fair value. Cost associated with maintaining computer software programs are recognised as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

---

**Intangible assets - Continued**

The Company's intangibles assets are made of software licenses and are amortised on reducing balance method at the rate of 50% per annum.

Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**h) Premium and other receivables**

Premium and other receivables are carried at anticipated realisable value. A review of all outstanding amounts is carried out at year end to identify and provide for impaired receivables.

**i) Employee benefits**

**Defined contribution scheme**

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

**Termination benefits**

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

**Short term benefits**

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

**j) Identification and measurement of impairment of financial assets**

The carrying amounts of the Company's financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

The particular impairment policies for each category of financial asset are described below:

**Held-to-maturity**

The recoverable amount of held-to-maturity financial assets carried at amortized cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate.

An impairment loss for these assets can be reversed if the subsequent increase in the recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

**Loans and receivables**

Loans and receivables are shown at the gross amount adjusted for any provision for impairment losses.

A provision for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of the loan. The amount of the provision is the difference between the carrying amount and the estimated recoverable amount.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**Identification and measurement of impairment of financial assets - Continued**

In addition, a portfolio impairment provision is made to cover losses that have been incurred but not reported at the reporting date. The Company sets the portfolio impairment with reference to past experience taking into account the effect of current conditions that did not affect the period on which the historic loss is based and to remove the effect of conditions in the historical period that do not exist currently. These factors include, but are not limited to, the economic environment, the shape of the portfolio with reference to a range of indicators and management actions taken to proactively manage the portfolio.

When a loan is deemed uncollectable, it is written off against the related provision for impairment. Subsequent recoveries are credited to the other income in the statement of comprehensive income.

**Available-for-sale**

When a decline in the fair value for available-for-sale financial assets has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the statement of comprehensive income even though the asset has not been derecognized. The amount of cumulative loss that is recognized in the statement of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the statement of comprehensive income. If the fair value of the financial asset increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of comprehensive income, the impairment loss shall be reversed with the amount of reversal being recognized in the statement of comprehensive income.

**Impairment for non-financial assets**

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Company that generates cash flows that largely are independent from other assets and Companies. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units reduce the carrying amount of the other assets in the unit (Company of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

---

**k) Taxation**

Tax on the operating results for the year comprises current tax expense. Current tax is provided on the results in the year as shown in the financial statements adjusted in accordance with tax legislation. Deferred tax is provided using the statement of financial position liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

Deferred tax is calculated on the basis of the tax rate currently enacted.

The company is entitled to deferred tax assets as there are no changes made in ownership of the share capital and the voting rights of a company above 25% during the year as per article 29 of Law N° 16/2005 OF 18/08/2005 2005 on direct taxes on income.

"If the determination of business profit results in a loss in a tax period, the loss may be deducted from the business profit in the next five (5) tax periods, earlier losses being deducted before later losses.

During a tax period, foreign sourced losses can neither reduce domestic sourced business profits nor can they reduce future domestic sourced business profits.

If during a tax period, the direct and indirect ownership of the share capital or the voting rights of a company, which shares are not traded on a recognized stock exchange changes more than twenty-five per cent (25%) by value or by number, paragraph one of this Article ceases to apply to losses incurred by that company in the tax period and previous tax periods."

**l) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, deposits held at call or for a term with the banks.

**m) Dividends**

Dividends declared after the reporting period but before the financial statements are authorized for issue, are not recognized as a liability at the end of the reporting period because no obligation exists at that time.

**n) Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**o) Deferred acquisition costs**

A proportion of commissions' payable is deferred and amortized over the period in which the related premium is earned. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the year end.

**Notes to the Financial Statements - Continued**

---

**p) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

***The company is the lessee***

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

All right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liabilities. Depreciation is calculated using the straight-line method to write-down the cost of each asset to its residual value over its estimated useful life. If the ownership of the underlying asset is expected to pass to the bank at the end of the lease term, the estimated useful life would not exceed the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the bank's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments per contract, the lease liability is measured at amortised cost using the effective interest method. Where the basis for determining future lease payments changes, the Bank remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change and a corresponding adjustment is made to the carrying amount of the right-of-use asset.

***The company is the lessor***

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in the profit or loss account on a straight-line basis over the lease term.

**q) Share capital**

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

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares are classified as equity when there is no obligation to transfer cash or other assets.

**Notes to the Financial Statements - Continued**

---

**r) Provisions and contingencies**

Provisions are recognised when;

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring, identifying at least: the business or part of a business concerned;

- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- When the plan will be implemented; and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.



**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**3. Changes in Significant Accounting Policies**

**i. New standards, amendments and interpretations effective and adopted during the year ended 31 December 2022**

The new standards and amendments during the year ended 31 December 2022, including consequential amendments to other standards with the date of initial application by the Company being 1 January 2022 did not have a material impact on the financial statements of the company.

Standard/Interpretation		Effective date Periods beginning on or after
IAS 37 amendment	Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments	Annual Improvements to IFRS Standards (2018 – 2020). Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41	1 January 2022
IAS 16 amendment	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
IFRS 3 amendment	Reference to the Conceptual Framework	1 January 2022

**ii. New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2022**

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2022 and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards. These will be adopted in the period that they become mandatory.

Standard/Interpretation		Effective date Periods beginning on or after
IFRS 17	Insurance Contracts	1 January 2023
IAS 1 amendments	Classification of liabilities as current or Non-current	1 January 2023
IAS 8 amendments	Definition of accounting estimate	1 January 2023
IAS 1 and IFRS practice statement 2	Disclosure of accounting policies	1 January 2023
IAS 12 amendments	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
IFRS 10 and IAS 28 amendments	Sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IFRS 16 amendment	Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1 amendment	Non-current Liabilities with Covenants	1 January 2024

We have analyzed below the standards that will impact on the financial statements of the company when implemented.

**IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts**

IFRS 17 was initially effective for annual reporting periods beginning on or after 1 January 2021 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied but following the impact of the coronavirus outbreak, at its meeting on 17 March 2020, the International Accounting Standards Board (IASB) agreed to defer the effective date of IFS 17 to annual reporting periods beginning on or after 1 January 2023.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

***New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2022 - Continued***

Insurance contracts combine features of both a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period.

To provide useful information about these features, IFRS 17: combines current measurement of the future cash flows with the recognition of profit over the period that services are provided under the contract; presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and requires an entity to make an accounting policy choice of whether to recognise all insurance finance income or expenses in profit or loss or to recognise some of that income or expenses in other comprehensive income.

The key principles in IFRS 17 are that an entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognise and measure;
- recognises and measures groups of insurance contracts at:
  - (a) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
  - (b) an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognises the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognises the loss immediately;
- presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

**Classification of liabilities as current or non-current (Amendments to IAS 1)**

The final amendments, issued by the IASB on January 23, 2020, in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.

Management has taken adequate steps to implement the new standards.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

---

**4. Critical Accounting Estimates and Judgements**

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 assumptions and judgements that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims as disclosed at Note 36.

***Fair value of financial instruments***

The fair value of available for sale financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

***Receivables***

Critical estimates are made in determining the recoverable amount of impaired receivables.

***Impairment of reinsurance assets***

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

**5. Management of Financial and Insurance Risk**

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Insurance risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**Management of Financial and Insurance Risk – Continued**

**a. Insurance risk management**

The Company's activities expose it to a variety of financial risks, including its portfolio of risks covered and perils insured. The Company's overall risk management focuses on the identification and management of risks and seeks to minimize 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. The Company has policies in place to ensure that insurance is sold to customers with an appropriate claim and credit history.

The Company manages the insurance risk in the manner briefly outlined below:

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 insurance, risk is random and therefore unpredictable. Risks must be evitable. Inevitable makes it certain hence not insurable. 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 payments exceed the carrying amount of the insurance liabilities. This could occur if the frequency or severity of claims is 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 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, the nature of industry covered and likelihood of a catastrophe.

**Insurance risk**

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

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 claim and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency and severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and number of claims and benefits will vary from year to year. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Claims are payable on claims occurrence basis.

The company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

For certain contracts, the company has limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year. The company also has the right to re-price the risk at renewal. It also has the ability to impose deductibles and reject fraudulent claims.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**Management of Financial and Insurance Risk – Continued**

**Insurance risk management - Continued**

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract.

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

**Insurance contract liabilities**

Gross claims reported, claims handling expenses liability and the liability for claims incurred but not reported (IBNR) are net of expected recoveries from salvage and

The Company uses the most reliable technique to estimate the ultimate cost of claims including IBNR provision. Under this method, mature classes of business that have a relatively stable development pattern have appropriate assessment mechanism. It also includes 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 ultimate claim cost for each accident year. The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims.

**Reinsurance risk**

In common with other insurance companies, in order to minimize financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under excess of loss reinsurance contracts. To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristic of the reinsurers. Reinsurance contracts do not relieve the Company from its obligations to cede and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

**b. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Company, other than those relating to reinsurance contracts as described in reinsurance risk, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position. The Company seeks to limit its credit risk with respect to customers by setting credit limit for individual customers and monitoring outstanding receivables. Premiums and insurance balances receivable comprise a large number of customers and insurance companies within Rwanda.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**Management of Financial and Insurance Risk – Continued**

**Credit risk - Continued**

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:

- amounts due from insurance contract holders;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance intermediaries;

**Premiums outstanding**

The Asset Liability Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. Policies sold are subject to a cancellation notice in case of default in payment of premium, so that in the event of non-payment the Company may have a secured claim. The Company does not require collateral in respect of premiums due.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of premiums outstanding and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The maximum exposure of the Company to credit risk as at the balance sheet date is as follows:

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Investments in term deposits	500,000	906,000
Investment in treasury bonds	2,768,000	3,500,100
Premiums receivable	643,066	518,675
Receivables arising out from re- insurance - arrangements	2,484,798	3,162,349
Receivables arising out of co- insurance arrangements	293,801	96,617
Reinsurance share in insurance contracts liabilities	2,119,168	2,609,289
Other receivables	1,617,803	1,124,303
	<b>10,426,636</b>	<b>11,917,333</b>

No collateral is held for any of the above assets. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

**c. Liquidity risk**

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

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**Management of Financial and Insurance Risk – Continued**

The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities. The amounts disclosed are the contractual undiscounted cash flows.

**As at 31 December 2022:**

	Less than 3 months	3-12 months	Over 1 year	Total
<b>Financial assets:</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>
Cash and cash equivalents	1,571,488	-	-	1,571,488
Investment in term deposits	-	500,000	-	500,000
Investment in treasury bonds	-	-	2,768,000	2,768,000
Investment in unquoted securities	-	-	360,000	360,000
Premiums receivable	482,300	160,767	-	643,066
Other receivables	153,756	1,154,900	118,787	1,427,443
Reinsurance receivables	621,200	1,443,583	420,016	2,484,798
Coinsurance receivables	73,450	220,351	-	293,801
<b>Total Financial assets</b>	<b>2,902,193</b>	<b>3,479,600</b>	<b>3,666,803</b>	<b>10,048,596</b>
<b>Financial liabilities:</b>				
Insurance contracts liabilities	1,559,588	4,678,764	-	6,238,352
Reinsurance payables	406,113	1,218,338	-	1,624,450
Coinsurance payables	45,027	135,080	-	180,106
Other payables	131,333	2,364,618	199,060	2,695,011
Lease liability	63,142	189,427	-	252,569
<b>Total Financial liabilities</b>	<b>2,205,202</b>	<b>8,586,226</b>	<b>199,060</b>	<b>10,990,488</b>
<b>Liquidity surplus/(deficit)</b>	<b>696,991</b>	<b>(5,106,626)</b>	<b>3,467,743</b>	<b>(941,892)</b>

**As at 31 December 2021:**

	Less than 3 months	3-12 months	Over 1 year	Total
<b>Financial assets:</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>
Cash and cash equivalents	1,827,699	-	-	1,827,699
Investment in term deposits	-	906,000	-	906,000
Investment in treasury bonds	890,000	-	2,610,100	3,500,100
Premiums receivable	385,394	71,780	61,501	518,675
Other receivables	772,834	211,253	65,099	1,049,186
Reinsurance receivables	2,433,339	-	729,010	3,162,349
Coinsurance receivables	96,617	-	-	96,617
<b>Total Financial assets</b>	<b>6,405,883</b>	<b>1,189,033</b>	<b>3,465,710</b>	<b>11,060,626</b>
<b>Financial liabilities:</b>				
Insurance contracts liabilities	1,613,264	4,839,793	-	6,453,057
Reinsurance payables	2,510,506	-	-	2,510,506
Coinsurance payables	151,890	-	-	151,890
Other payables	153,556	370,739	264,714	789,009
Lease liability	63,142	189,427	252,569	505,138
<b>Total Financial liabilities</b>	<b>4,492,358</b>	<b>5,399,959</b>	<b>517,283</b>	<b>10,409,600</b>
<b>Liquidity surplus/(deficit)</b>	<b>1,913,525</b>	<b>(4,210,926)</b>	<b>2,948,427</b>	<b>651,026</b>

**Notes to the Financial Statements - Continued**

**Management of Financial and Insurance Risk – Continued**

**d. Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

**Interest rate risk**

The company ensures that its investments are held primarily at fixed interest rates to avoid fluctuations in earnings due to change in interest rates. Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair value of financial instruments. The Company has deposits with banks which are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return or increasing the cost of finance to the Company. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its deposits and investments are denominated.

**Currency risk**

The Company does not out cross-border business transactions, which would expose it to foreign exchange risk arising from various currency exposures and so deems this exposure as being insignificant.

**e. Capital management**

The Company's objectives when managing capital are:

To comply with the insurance capital requirements required by the regulators of the insurance markets where the Company operates:

- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In Rwanda, the local insurance regulator specifies the minimum amount and type of capital that must be held by the company in addition to its insurance liabilities. The minimum required capital must be maintained at all times throughout the year.

The Company is subject to insurance solvency regulations and is required to comply with solvency regulations. The Company has embedded in its Asset Liability Policy Framework the necessary tests to ensure continuous and full compliance with such regulations.

Insurance regulations require each Micro insurance Company to hold the minimum level of paid up capital as follows;

- Composite micro insurance business companies FRW 300 million and
- Composite micro insurance businesses are required to maintain a solvency margin (admitted assets less admitted liabilities) equivalent to the higher of the share capital (300 Million) or 15% of the greater of the amount of net written premium in respect of policies entered into:

(a) in the 12 months preceding the current financial year end; or

(b) in the 12 months preceding the end of previous financial year or where the written premium refers to the total amount of all the premiums payable to the dedicated micro insurer under policies entered into by it in the respective twelve (12) months period.



**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**Management of Financial and Insurance Risk – Continued**

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

The table below summarizes the solvency margin of the Company:

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Admitted assets	20,335,957	14,765,287
Admitted liabilities	(17,551,064)	(16,149,887)
<b>Solvency margin available</b>	<b>2,784,893</b>	<b>(1,384,601)</b>
Gross Premium less reinsurance ceded last preceding year	10,740,092	10,438,471
Solvency Margin Required:20% of I.I. or Frw 500 million whichever is greater	2,148,018	2,087,694
<b>Excess/ (Shortage)</b>	<b>636,875</b>	<b>(3,472,295)</b>
<b>Solvency Coverage Ratio - %</b>	<b>130%</b>	<b>(66%)</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**6. Gross written premiums**

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Motor	6,934,141	7,114,216
Medical	3,760,635	2,641,132
Fire	1,533,072	1,179,610
Guarantee	955,236	815,733
Engineering	928,688	644,519
Liability	354,825	399,871
Transport	161,851	172,672
Accidents	226,751	275,267
Others	178,123	530,890
	<b>15,033,321</b>	<b>13,773,910</b>

**7. Change in unearned premiums reserve**

Gross UPR reserve - opening balance	4,641,215	4,471,881
Gross UPR reserve - closing balance	(5,508,366)	(4,641,215)
Reinsurance share in UPR reserve - opening balance	(874,210)	(767,585)
Reinsurance share in UPR reserve - closing balance	1,212,522	874,210
	<b>(528,839)</b>	<b>(62,709)</b>

**8. Premiums ceded to reinsurance**

Motor	(861,928)	(763,488)
Medical	(8,312)	(29,494)
Fire	(644,665)	(71,506)
Guarantee	(254,823)	(239,776)
Engineering	(698,225)	-
Liability	(279,448)	(191,249)
Transport	(18,338)	-
Accidents	(4,012)	-
Others	(53,400)	(1,738,305)
	<b>(2,823,150)</b>	<b>(3,033,818)</b>

**9. Gross claims paid**

Claims incurred by principal class of business:		
Claims paid - Motor	(6,977,173)	(6,606,789)
Claims paid - Medical	(2,548,349)	(1,614,409)
Claims paid - Fire	(726,595)	(98,328)
Claims paid - Guarantee	(491,752)	(1,153,228)
Claims paid - Engineering	(98,053)	(109,385)
Claims paid - Liability	(129,996)	(83,747)
Claims paid - Transport	(27,257)	(1,000)
Claims paid - Accidents	(20,353)	-
Claims paid - Others	(201,260)	(424,523)
Claims recoveries	227,644	285,694
	<b>(10,993,144)</b>	<b>(9,805,715)</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**10. Change in outstanding claims reserve**

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Gross OCR reserve - opening balance	6,453,057	5,590,952
Gross OCR reserve - closing balance	(6,238,353)	(6,453,057)
Reinsurance share in OCR reserve - opening balance	(2,369,007)	(1,427,731)
Reinsurance share in OCR reserve - closing balance	1,980,163	2,369,007
	<b>(174,140)</b>	<b>79,171</b>

**11. Claims ceded to reinsurance**

Claims ceded to reinsurers	1,414,689	962,764
Claims ceded to coinsurers	142,858	53,101
	<b>1,557,547</b>	<b>1,015,865</b>

**12. Fees and commission income**

Commissions received from reinsurance	472,061	449,543
Commissions received from coinsurance	45,346	79,274
	<b>517,407</b>	<b>528,817</b>

**13. Commission expenses**

Commissions paid to insurance intermediaries	(979,871)	(733,559)
Change in deferred acquisition cost	(71,537)	(114,124)
	<b>(1,051,408)</b>	<b>(847,683)</b>

**14. Management expenses**

Admin travel and allowances	(127,384)	(98,309)
Advertising and marketing	(28,993)	(48,250)
Bank and MoMo charges	(74,986)	(49,392)
Board sitting allowances	(258,286)	(235,429)
Consultancy fees - local	(42,143)	(56,231)
Consultancy fees - foreign	(44,325)	(44,295)
Contribution to profession organs	(49,669)	(46,388)
Depreciation and amortization	(333,282)	(380,857)
Donations	(11,000)	(4,767)
Employee benefits expense – <b>14(a)</b>	(1,453,147)	(1,507,011)
External service cost	(289,775)	(224,163)
Fines and penalties	(9,418)	(8,050)
Internet expenses	(39,302)	(30,736)
Irrecoverable VAT	(59,056)	(42,207)
Local taxes	(1,080)	(900)
Motor vehicle repairs	(14,956)	(39,310)
Motor vehicles fuel	(28,016)	(19,550)
Motor vehicles insurances	-	(1,314)

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**Management expenses – Continued**

Office stationery	(113,177)	(109,124)
Other expenses	(4,250)	(527)
Forex loss	(43,111)	(6,488)
Rentals	(9,128)	(4,630)
Telephone expenses	(14,257)	(16,103)
Other insurances	(52,267)	(44,211)
Other repairs and maintenances	(2,400)	(5,864)
Water and electricity	(17,104)	(16,402)
Loss allowance on receivables	(89,478)	(30,557)
	<b>(3,209,990)</b>	<b>(3,071,065)</b>

**14 (a) Employee benefits expense include below:**

Gross salaries	(1,270,511)	(1,303,170)
Pensions	(68,864)	(65,555)
Maternity leave contributions	(4,132)	(3,933)
Other allowances	(5,476)	(4,435)
Training expenses	(22,395)	(16,169)
Insurance	(81,769)	(113,749)
	<b>(1,453,147)</b>	<b>(1,507,011)</b>

**15. Investment income**

Interest on bank term deposits	958,970	1,045,866
Interest on current accounts	43,336	58,760
Rental income	46,131	41,968
	<b>1,048,437</b>	<b>1,146,594</b>

**16. Policy accessories income**

Policy accessories income	<b>1,573,748</b>	<b>1,456,570</b>
---------------------------	------------------	------------------

**17. Other income**

Miscellaneous income	28,938	12,471
Forex gains	26,265	-
	<b>55,203</b>	<b>12,471</b>

**18. Finance cost**

Interest on Reinsurers' deposits	(15,811)	(21,270)
Interest on lease liability	(55,801)	(39,846)
	<b>(71,612)</b>	<b>(61,116)</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**19. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
<b>(a) Statement of financial position</b>		
As at 1 January	174,403	(472,324)
Current year charge	323,287	333,245
Tax paid	(650,203)	313,482
<b>Tax (receivable)/ payable</b>	<b>(152,513)</b>	<b>174,403</b>
<b>(b) Statement of profit or loss</b>		
Corporate tax charge for the year	(323,287)	(333,245)
Deferred tax charge/(credit) for the year	125,204	(75,101)
	<b>(198,083)</b>	<b>(408,346)</b>
<b>(c) Reconciliation of tax charge for the year to the tax based on accounting profit</b>		
Profit/(Loss) before tax	933,380	1,131,292
Tax at applicable rate of 30%	280,014	339,388
Effects of net tax adjustments	(81,931)	68,958
	<b>198,083</b>	<b>408,346</b>
<b>(d) Deferred tax liability</b>		
As at 1 January	255,311	180,210
Deferred tax (credit)/charge	(125,204)	75,101
As at 31 December	<b>130,107</b>	<b>255,311</b>

Deferred tax comprises of below:

<b>Year ended 31 December 2022</b>	<b>At start of the year</b>	<b>Credit to statement of profit or loss</b>	<b>At end of the year</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
Property and equipment	255,311	(125,204)	130,107
	<b>255,311</b>	<b>(125,204)</b>	<b>130,107</b>
<b>Year ended 31 December 2021</b>	<b>At start of the year</b>	<b>Charge to statement of profit or loss</b>	<b>At end of the year</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
Property and equipment	180,210	75,101	255,311
	<b>180,210</b>	<b>75,101</b>	<b>255,311</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**20. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Bank balances	1,569,006	1,773,334
MoMo balances	-	50,428
Cash in hand	2,482	3,937
	<b>1,571,488</b>	<b>1,827,699</b>

**21. Investment in term deposits**

**Held to maturity:**

Bank term deposits	<b>500,000</b>	<b>906,000</b>
--------------------	----------------	----------------

With below movement in during the year:

As at 1 January	906,000	1,550,000
Investments made in the year	500,000	906,000
Repayments received in the year	(906,000)	(1,550,000)
<b>Balance as at 31 December</b>	<b>500,000</b>	<b>906,000</b>

Comprising:

Current portion	500,000	906,000
Noncurrent portion	-	-
	<b>500,000</b>	<b>906,000</b>

**22. Investment in treasury bonds**

**Held to maturity:**

Fixed rate treasury bonds	<b>2,768,000</b>	<b>3,500,100</b>
---------------------------	------------------	------------------

With below movement in during the year:

As at 1 January	3,500,100	2,550,100
Investments made in the year	1,657,900	1,350,000
Repayments received in the year	(2,390,000)	(400,000)
<b>Balance as at 31 December</b>	<b>2,768,000</b>	<b>3,500,100</b>

Comprising:

Current portion	-	2,390,000
Noncurrent portion	2,768,000	1,110,000
	<b>2,768,000</b>	<b>3,500,100</b>

**23. Investment in unquoted securities**

**Investee**

Regional Potatoes Trading – Shareholding 14.53%	60,000	60,000
Radiant Yacu – Shareholding 50.00%	300,000	300,000
	<b>360,000</b>	<b>360,000</b>

**RADIANT INSURANCE COMPANY LIMITED**  
Annual Financial Statements for the year ended 31 December 2022

**Notes to the Financial Statements - Continued**

**24. Premiums receivable**

	2022 Frw' 000	2021 Frw' 000
Policyholders' unpaid premiums	643,066	518,675
Loss allowance	-	-
	<b>643,066</b>	<b>518,675</b>

The ageing analysis of the above receivables is shown below:

**As at 31 December 2022:**

Description	Less than 90 days	Between 91 and 180 Days	Over 181 Days	Total
<b>Debtors' category:</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
Corporate/Private institutions	347,657	-	-	347,657
Government institutions	230,041	23,184	-	253,225
Non-government institutions	35,789	6,395	-	42,184
	<b>613,487</b>	<b>29,579</b>	<b>-</b>	<b>643,066</b>

**As at 31 December 2021:**

Description	Less than 90 days	Between 91 and 180 Days	Over 181 Days	Total
<b>Debtors' category:</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
Corporate/Private institutions	243,846	-	-	243,846
Government institutions	101,795	69,141	59,583	230,519
Non-government institutions	39,753	2,639	1,918	44,310
	<b>385,394</b>	<b>71,780</b>	<b>61,501</b>	<b>518,675</b>

**25. Receivables arising out from re- insurance – arrangements**

Globus Re	658,949	552,847
Zep Re	24,281	617,162
Africa Re	507,202	1,691,532
Cica Re	358,249	133,659
Nca Re	107,431	37,878
Gic	70,256	8,610
Kenya Re	93,217	8,907
Scr	200,042	32,937
Continental Re	255,116	36,592
Tan Re	47,073	7,267
Ghana Re	55,162	10,222
Clapton Re	107,820	24,736
	<b>2,484,798</b>	<b>3,162,349</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**26. Receivables arising out of co- insurance arrangements**

	2022 Frw' 000	2021 Frw' 000
Sonarwa GI	121,728	59,907
Prime	54,342	26,682
Mayfair	12,158	-
Britam	12,158	-
Mua	12,158	-
Old Mutual	29,943	5,014
BK Insurance	51,314	5,014
	<b>293,801</b>	<b>96,617</b>

The ageing analysis of the above receivables on **Note 25** and **26** is shown below:

**As at 31 December 2022:**

Description	Less than 90 days	Between 91 and 180 Days	Over 181 Days	Total
	Frw' 000	Frw' 000	Frw' 000	Frw' 000
Reinsurance receivables	2,064,783	-	420,015	2,484,798
Coinsurance receivables	73,450	220,351	-	293,801
	<b>2,138,233</b>	<b>220,351</b>	<b>420,015</b>	<b>2,778,599</b>

**As at 31 December 2021:**

Description	Less than 90 days	Between 91 and 180 Days	Over 181 Days	Total
	Frw' 000	Frw' 000	Frw' 000	Frw' 000
Reinsurance receivables	2,433,339	-	729,010	3,162,349
Coinsurance receivables	96,617x	-	-	96,617
	<b>2,529,956</b>	<b>-</b>	<b>729,010</b>	<b>3,258,966</b>

**27. Reinsurance share in insurance contracts liabilities**

Reinsurance share in technical provisions	2,119,168	2,609,289
	<b>2,119,168</b>	<b>2,609,289</b>

The total reinsurance share in insurance contracts liabilities as at 31 December 2022 is Frw 3,192,685 (**Note 36**) with an extra Frw 1,073,517 over Frw 2,119,168 (**Note 27**) included in Reinsurance current accounts as a reclassified receivable after reconciliation and confirmation by reinsurers.

**28. Dues from connected persons**

Reinsurance share in technical provisions	-	4,845,998
	<b>-</b>	<b>4,845,998</b>

The dues from connected persons were used towards acquisition of the property formerly owned by Nord-Sud, a related company.



**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**29. Deferred acquisition costs**

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
At the start of the year	350,473	236,348
Net movement during the year	71,537	114,125
	<b>422,010</b>	<b>350,473</b>

**30. Other receivables**

Deposits and guarantees	118,787	159,399
Rentals receivable	6,862	9,837
VAT receivable	115,243	63,749
Prepayments	75,117	49,034
Accrued interest income	146,894	-
Dues from independent branches	66,784	72,440
Miscellaneous debtors	1,088,116	769,844
	<b>1,617,803</b>	<b>1,124,303</b>

**31. Inventories**

Inventories	33,328	37,813
	<b>33,328</b>	<b>37,813</b>

**32. Investment property**

**As at 31 December 2022:**

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Cost:</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
As at 1 January 2022	1,496,223	425,197	1,921,420
Additions during the year	1,500,000	9,376,371	10,876,371
<b>As at 31 December 2022</b>	<b>2,996,223</b>	<b>9,801,568</b>	<b>12,797,791</b>

**Depreciation:**

As at 1 January 2022	-	142,058	142,058
Charge for the year	-	14,157	14,157
<b>As at 31 December 2022</b>	<b>-</b>	<b>156,215</b>	<b>156,215</b>
<b>Net book value</b>	<b>2,996,223</b>	<b>9,645,353</b>	<b>12,641,576</b>

**As at 31 December 2021:**

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Cost:</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
As at 1 January 2021	112,000	1,380,000	1,492,000
Revaluation	1,384,223	(54,803)	1,329,420
Reclassification	-	(900,000)	(900,000)
<b>As at 31 December 2021</b>	<b>1,496,223</b>	<b>425,197</b>	<b>1,921,420</b>

**Depreciation:**

As at 1 January 2021	-	303,263	303,263
Charge for the year	-	14,902	14,902
Reclassification	-	(176,107)	(176,107)
<b>As at 31 December 2021</b>	<b>-</b>	<b>142,058</b>	<b>142,058</b>
<b>Net book value</b>	<b>1,496,223</b>	<b>283,139</b>	<b>1,779,362</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**33. Property and equipment**

**As at 31 December 2022:**

<b>Cost:</b>	<b>Office furniture</b>	<b>Office equipment</b>	<b>Motor vehicle</b>	<b>IT equipment</b>	<b>Total</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
As at 1 January 2022	220,403	56,144	504,391	318,073	1,099,011
Additions	6,082	-	-	44,688	50,770
<b>As at 31 December 2022</b>	<b>226,485</b>	<b>56,144</b>	<b>504,391</b>	<b>362,761</b>	<b>1,149,781</b>

**Depreciation:**

As at 1 January 2022	176,080	42,782	377,425	278,116	874,403
Charge for the year	12,601	3,701	31,742	41,602	89,646
<b>As at 31 December 2022</b>	<b>188,681</b>	<b>46,483</b>	<b>409,167</b>	<b>319,718</b>	<b>964,049</b>
<b>Net book value</b>	<b>37,804</b>	<b>9,661</b>	<b>95,224</b>	<b>43,043</b>	<b>185,732</b>

**As at 31 December 2021:**

<b>Cost:</b>	<b>Office furniture</b>	<b>Office equipment</b>	<b>Motor vehicle</b>	<b>IT equipment</b>	<b>Total</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
As at 1 January 2021	212,083	53,944	504,391	265,466	1,035,884
Additions during the year	8,320	2,200	-	52,607	63,127
<b>As at 31 December 2021</b>	<b>220,403</b>	<b>56,144</b>	<b>504,391</b>	<b>318,073</b>	<b>1,099,011</b>

**Depreciation:**

As at 1 January 2021	161,306	37,849	335,103	239,601	773,859
Charge for the year	14,774	4,933	42,322	38,515	100,544
<b>As at 31 December 2021</b>	<b>176,080</b>	<b>42,782</b>	<b>377,425</b>	<b>278,116</b>	<b>874,403</b>
<b>Net book value</b>	<b>44,323</b>	<b>13,362</b>	<b>126,966</b>	<b>39,957</b>	<b>224,608</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**34. Right of use asset**

The right of use asset relates to the leased office space at the head office of the company:

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
<b>Right of use asset</b>		
As at 1 January	740,901	197,353
Remeasurement	(306,762)	790,515
Depreciation charge	(217,069)	(246,967)
<b>Balance as at 31 December</b>	<b>217,070</b>	<b>740,901</b>

The remeasurement/adjustment on the right of use asset was on account of the revised assumptions on the lease term of the leased office space as the company is nearing completion of its own office building. The related liability was remeasured to the end of the estimated lease term.

**35. Intangible assets**

**As at 31 December 2022:**

	<b>Establishment &amp; Development costs</b>	<b>Computer software</b>	<b>Software in progress</b>	<b>Total</b>
<b>Cost:</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
As at 1 January 2022	163,859	91,780	290,110	545,749
Additions during the year	-	-	-	-
<b>As at 31 December 2022</b>	<b>163,859</b>	<b>91,780</b>	<b>290,110</b>	<b>545,749</b>
<b>Depreciation:</b>				
As at 1 January 2022	92,110	81,310	-	173,420
Charge for the year	7,174	5,235	-	12,409
<b>As at 31 December 2022</b>	<b>99,284</b>	<b>86,545</b>	<b>-</b>	<b>185,829</b>
<b>Net book value</b>	<b>64,575</b>	<b>5,235</b>	<b>290,110</b>	<b>359,920</b>

**As at 31 December 2021:**

	<b>Establishment &amp; Development costs</b>	<b>Computer software</b>	<b>Software in progress</b>	<b>Total</b>
<b>Cost:</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
As at 1 January 2021	163,859	71,805	291,526	527,190
Additions during the year	-	19,975	-	19,975
Adjustments	-	-	(1,416)	(1,416)
<b>As at 31 December 2021</b>	<b>163,859</b>	<b>91,780</b>	<b>290,110</b>	<b>545,749</b>
<b>Depreciation:</b>				
As at 1 January 2021	84,137	70,840	-	154,977
Charge for the year	7,973	10,470	-	18,443
<b>As at 31 December 2021</b>	<b>92,110</b>	<b>81,310</b>	<b>-</b>	<b>173,420</b>
<b>Net book value</b>	<b>71,749</b>	<b>10,470</b>	<b>290,110</b>	<b>372,329</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**36. Insurance contracts liabilities**

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
<b>Gross:</b>		
Unearned premium reserve (UPR)	5,508,366	4,641,215
Outstanding claims reserve (OCR)	2,325,157	3,905,495
Outstanding claims (OCR) - IBNR reserve	3,913,195	2,547,562
	<b>11,746,718</b>	<b>11,094,272</b>
<b>Reinsurance share:</b>		
Unearned premium reserve (UPR)	1,212,522	874,210
Outstanding claims reserve (OCR)	1,073,037	1,510,995
Outstanding claims (OCR) - IBNR reserve	907,126	858,012
	<b>3,192,685</b>	<b>3,243,217</b>
<b>Net:</b>		
Unearned premium reserve (UPR)	4,295,844	3,767,005
Outstanding claims reserve (OCR)	1,252,120	2,394,500
Outstanding claims (OCR) - IBNR reserve	3,006,069	1,689,550
	<b>8,554,033</b>	<b>7,851,055</b>

Premium liabilities are composed of a reserve for policies that have not yet expired at the valuation date (known as the Unearned Premium Reserve "UPR") and a reserve to allow for the expectation that UPR may not be sufficient to cover the expected cost of claims and expenses arising from the period of the unexpired risk. (Known as the Additional Unexpired Risk Reserve "AURR").

For purpose of the valuation – standard practice for an insurance Company is to elect either of the following methods in determining the UPR.

- 24ths method corresponding to risk profile that is spread evenly over each month of cover (corresponding to monthly reserving) and;
- 365ths method corresponding to a risk profile that is spread evenly over each day of cover (corresponding to daily reserving).

Claims liabilities (OCR and IBNR) are based on a number of assumptions as to the future conditions and events. The outcome of this conditions and events may be different from the assumptions made. Therefore, estimates provided are best estimates of future claims.

Radiant employs a case by case approach in determining its reported claims provision.

The reserves were calculated as at 31 December 2022. No further claim experience after the respective date was taken into account in determining the value of the reserves.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Financial Statements - Continued**

**37. Payables arising out of reinsurance arrangement**

	<b>2022</b>	<b>2021</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Globus Re	384,915	361,938
Zep Re	6,779	312,504
Africa Re	366,255	1,299,496
Cica Re	218,835	180,949
Rga	-	4,584
Nca Re	73,199	38,078
Gic	43,549	25,347
Kenya Re	75,744	25,611
Scr	45,128	112,217
Continental Re	172,360	73,559
Tan Re	48,416	7,996
Ghana Re	58,192	22,501
Clapton Re	114,351	29,007
East Africa Re	16,727	16,719
	<b>1,624,450</b>	<b>2,510,506</b>

**38. Payables arising out of co- insurance arrangements**

Sonarwa GI	101,154	77,518
Prime	36,464	36,464
Old Mutual	18,954	18,954
BK Insurance	23,534	18,954
	<b>180,106</b>	<b>151,890</b>

The ageing analysis of the above payables on **Note 37** and **38** is shown below:

**As at 31 December 2022:**

<b>Description</b>	<b>Less than 90 days</b>	<b>Between 91 and 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
Reinsurance payables	406,113	1,218,338	-	1,624,451
Coinsurance payables	45,025x	135,080	-	180,105
	<b>451,138</b>	<b>1,353,418</b>	<b>-</b>	<b>1,804,556</b>

**As at 31 December 2021:**

<b>Description</b>	<b>Less than 90 days</b>	<b>Between 91 and 180 Days</b>	<b>Over 181 Days</b>	<b>Total</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
Reinsurance payables	2,510,506	-	-	2,510,506
Coinsurance payables	151,890	-	-	151,890
	<b>2,662,396</b>	<b>-</b>	<b>-</b>	<b>2,662,396</b>

**RADIANT INSURANCE COMPANY LIMITED****Annual Financial Statements for the year ended 31 December 2022****Notes to the Financial Statements - Continued****43. Cash flows generated from operations**

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
<b>Operating activities</b>			
Profit before tax		933,380	1,131,292
Adjustments for:			
Depreciation and amortization	<b>14</b>	333,282	380,857
Interest on Reinsurers' deposits	<b>18</b>	15,811	21,270
Interest on lease liability	<b>40</b>	55,801	39,846
Remeasurement gain on lease liability	<b>40</b>	(17,983)	-
Reclassification of intangible assets to working capital	<b>35</b>	-	1,416
Reclassification of Investment property to working capital	<b>32</b>	-	723,892
<b>Change in working capital:</b>			
Inventories	<b>31</b>	4,485	7,295
Due from Connected persons	<b>28</b>	4,845,998	(590,051)
Premiums receivable	<b>24</b>	(124,391)	(104,994)
Other receivables	<b>30</b>	(493,500)	(716,826)
Deferred acquisition costs	<b>29</b>	(71,537)	(114,125)
Reinsurance share in insurance contracts liabilities	<b>27</b>	490,121	(1,257,592)
Receivables arising out from re- insurance - arrangements	<b>25</b>	677,551	(353,484)
Receivables arising out of co- insurance arrangements	<b>26</b>	(197,184)	(45,010)
Insurance contracts liabilities	<b>36</b>	652,446	1,031,438
Payable arising out of reinsurance arrangement	<b>37</b>	(886,056)	540,199
Payables arising out of co- insurance arrangements	<b>38</b>	28,216	97,326
Other payables	<b>39</b>	1,906,002	(137,561)
Grants		(1,025)	(65,403)
		<b>8,151,417</b>	<b>589,785</b>

**44. Capital commitments**

There were no capital commitments (2021: Nil) towards acquisition and/or construction of capital expenditure items. No advances were paid on capital commitments (2021: Nil) during the year.

**45. Going concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

**46. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Other Disclosures by Insurers**

**Appendix 1: Regulatory solvency margin**

**As at 31 December 2022:**

1	Gross Premium less reinsurance ceded last preceding year	10,740,092,085
2	Solvency Margin Required: 20% of I.1. or Rwf 500 million whichever is greater	2,148,018,417
	Compliance with Solvency Margin	
3	Total Assets	26,370,272,000
4	Less: Non-admitted Assets as per II.A.7	1,211,960,529
5	Less: Deductions for assets subject to maximum admissible % as per II.B.7	4,822,354,844
6	Admitted Assets I.3 less I.4 and I.5	20,335,956,627
7	Less Admitted Liabilities as per III.C.3	17,551,063,870
8	Solvency Margin Available (I.6 less I.7)	2,784,892,757
9	Excess of solvency required (I.8 less I.2)	636,874,340
10	<b>Solvency Coverage Ratio (I.8 divided by I.2)</b>	<b>130%</b>

**II.A. Non-Admitted Assets**

1	Intangible Assets	576,988,916
2	Exposure (Loans & Investment) to connected persons	-
3	Loans to Insurance Intermediaries overdue for more than 6 months	-
4	Receivables from reinsurers overdue for more than 6 months	420,015,990
5	Loans and other receivables overdue for more than 6 months	139,838,632
6	Deferred expenses, deferred taxes and prepayments	75,116,991
7	<b>Non Admitted Assets (Add II.A.1. to 6)</b>	<b>1,211,960,529</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Other Disclosures by Insurers**

**II.B. Deductions for Assets Subject to Maximum Admissible Percentage**

	A	Maximum admissible percentage (B)	Deductions (A less Ax B)
1 Investment in equities: listed	-	90%	-
2 Investment in equities: Unlisted	360,000,000	70%	108,000,000
3 Investment in debt securities	-	70%	-
4 Investments in properties	11,644,511,445	80%	2,328,902,289
5 Receivables from reinsurers which are non-overdue	2,358,583,378	90%	235,858,338
6 a) All other Assets (Total assets less II.A.7 and II.B.1,2,3,4 and 5)	10,795,216,649		
Less			
Cash	1,718,382,380		
Deposit Balances	500,000,000		
Government Securities	2,768,000,000		
Government Receivables	1,509,645,833		
b) All other assets subject to maximum %	4,299,188,436	50%	2,149,594,218
<b>7 Total Deductions (add II.B.1,2,3,4,5 and 6)</b>			<b>4,822,354,844</b>

**III.C. Admitted Liabilities**

	Amount on Balance sheet A	Additional Percentage factor B	Admitted Liabilities ( A +( Ax B))
1 Technical Provisions			
Unearned Premium	5,508,365,868	10%	6,059,202,455
Unexpired Risk	0	10%	0
Outstanding claims	3,690,790,408	10%	4,059,869,449
IBNR	2,547,562,214	10%	2,802,318,435
2 All other liabilities (Total Liabilities less technical provisions)	4,629,673,531	0%	4,629,673,531
<b>3 Total Admitted Liabilities</b>			<b>17,551,063,870</b>



**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Other Disclosures by Insurers**

As at 31 December 2021:

**Required Solvency Margin**

1	Gross Premium less reinsurance ceded last preceding year	10,438,470,929.0
2	Solvency Margin Required: 20% of I.1. or Rwf 500 million whichever is greater	2,087,694,185.8
	Compliance with Solvency Margin	
3	Total Assets	22,520,557,742.6
4	Less: Non-admitted Assets as per II.A.7	6,662,171,552.1
5	Less: Deductions for assets subject to maximum admissible % as per II.B.7	1,093,099,526.4
6	Admitted Assets I.3 less I.4 and I.5	14,765,286,664.1
7	Less Admitted Liabilities as per III.C.3	16,149,887,642.4
8	Solvency Margin Available (I.6 less I.7)	(1,384,600,978.3)
9	Excess of solvency required (I.8 less I.2)	(3,472,295,164.1)
10	<b>Solvency Coverage Ratio (I.8 divided by I.2)</b>	<b>(66%)</b>

**II.A. Non-Admitted Assets**

1	Intangible Assets	1,041,481,467
2	Exposure (Loans & Investment) to connected persons	4,291,243,180
3	Loans to Insurance Intermediaries overdue for more than 6 months	0
4	Receivables from reinsurers overdue for more than 6 months	729,010,451
5	Loans and other receivables overdue for more than 6 months	200,928,480
6	Deferred expenses, deferred taxes and prepayments	399,507,974
7	<b>Non Admitted Assets (Add II.A.1. to 6)</b>	<b>6,662,171,552</b>

**RADIANT INSURANCE COMPANY LIMITED**  
Annual Financial Statements for the year ended 31 December 2022

**Other Disclosures by Insurers**

**II.B. Deductions for Assets Subject to Maximum Admissible Percentage**

	A	Maximum admissible percentage (B)	Deductions (A less AxB)
1 Investment in equities: listed	-	90%	-
2 Investment in equities: Unlisted	360,000,000	70%	108,000,000
3 Investment in debt securities	-	70%	-
4 Investments in properties	782,296,863	80%	156,459,373
5 Receivables from reinsurers which are non-overdue	5,139,245,247	90%	513,924,525
6 a) All other Assets (Total assets less II.A.7 and II.B.1,2,3,4 and 5)	9,576,844,081		
Less			
Cash	3,281,696,614		
Deposit Balances	906,000,000		
Government Securities	3,500,100,000		
Government Receivables	1,259,616,209		
b) All other assets subject to maximum %	629,431,258	50%	314,715,629
<b>7 Total Deductions (add II.B.1,2,3,4,5 and 6)</b>			<b>1,093,099,526</b>

**III.C. Admitted Liabilities**

	Amount on Balance sheet A	Additional Percentage factor B	Admitted Liabilities ( A + ( Ax B))
1			
Unearned Premium	4,641,215,343	10%	5,105,336,877
Unexpired Risk	-	10%	-
Outstanding claims	3,905,494,615	10%	4,296,044,077
IBNR	2,547,562,214	10%	2,802,318,435
2 All other liabilities (Total Liabilities less technical provisions)	3,946,188,253	0%	3,946,188,253
<b>3 Total Admitted Liabilities</b>			<b>16,149,887,642</b>

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Other Disclosures by Insurers**

**Appendix 2: Detailed revenue account – 31 December 2022**

Class of Insurance	ACCIDENT & HEALTH		PROPERTY ENGINEERING GUARANTEE		MOTOR TRANSPORT		MEDICAL LIABILITY AGRICULTURE		TRAVEL		Total
	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	
Gross written premiums	226,751	1,533,072	928,688	6,934,141	161,851	3,760,655	354,825	90,142	87,981	15,033,322	
Unearned premiums reserve (UPR) opening	74,755	548,265	256,837	2,300,161	88,334	719,586	233,772	59,918	45,720	4,641,215	
Unearned premiums reserve (UPR) closing	(98,901)	(808,784)	(432,065)	(2,153,753)	(44,156)	(1,322,815)	(190,116)	(14,635)	(6,796)	(5,508,367)	
Reinsurance share in UPR opening	(1,524)	(188,899)	(177,720)	(73,175)	(101,855)	(61,866)	-	(198,994)	(57,948)	(874,210)	
Reinsurance share in UPR closing	1,750	340,082	324,843	116,402	267,658	8,450	2,939	149,760	638	1,212,522	
<b>Gross earned insurance premiums</b>	<b>202,831</b>	<b>1,423,736</b>	<b>900,583</b>	<b>880,984</b>	<b>152,613</b>	<b>3,160,365</b>	<b>361,247</b>	<b>78,115</b>	<b>114,676</b>	<b>14,504,482</b>	
Outwards reinsurance	(4,012)	(644,665)	(698,225)	(254,823)	(861,928)	(18,338)	(8,312)	(279,448)	(8,366)	(45,034)	
<b>Net premiums</b>	<b>198,819</b>	<b>779,071</b>	<b>202,358</b>	<b>626,161</b>	<b>134,275</b>	<b>3,152,027</b>	<b>34,799</b>	<b>69,749</b>	<b>69,642</b>	<b>11,681,331</b>	
Fees income	397	144,350	167,519	129,949	8,150	2,327	1,561	2,190	962	517,405	
<b>Net income</b>	<b>199,216</b>	<b>923,421</b>	<b>369,877</b>	<b>756,110</b>	<b>134,275</b>	<b>3,154,354</b>	<b>36,360</b>	<b>71,939</b>	<b>70,604</b>	<b>12,198,736</b>	
Net claims paid	(20,353)	(138,670)	(80,752)	(225,994)	(6,308,225)	(27,257)	(2,548,349)	(44,891)	(41,107)	(9,435,598)	
Change in outstanding claims reserve	(29,571)	(32,477)	2,011	1,868	368,335	887	(480,513)	130	(5,593)	783	
<b>Net claims incurred</b>	<b>(49,924)</b>	<b>(171,147)</b>	<b>(78,741)</b>	<b>(224,126)</b>	<b>(5,939,890)</b>	<b>(26,370)</b>	<b>(3,028,863)</b>	<b>(44,761)</b>	<b>(46,700)</b>	<b>(9,609,738)</b>	
Acquisition cost	(20,721)	(73,144)	(46,597)	(52,434)	(576,406)	(9,328)	(151,833)	(24,700)	(43,153)	(53,091)	
Expenses management	(36,179)	(320,822)	(145,736)	(188,267)	(1,642,722)	(40,425)	(706,473)	(68,879)	(31,942)	(28,553)	
<b>Total expenses</b>	<b>(56,900)</b>	<b>(393,966)</b>	<b>(192,333)</b>	<b>(240,701)</b>	<b>(2,219,128)</b>	<b>(49,753)</b>	<b>(858,306)</b>	<b>(93,579)</b>	<b>(75,095)</b>	<b>(4,261,405)</b>	
<b>Underwriting profit</b>	<b>92,392</b>	<b>358,308</b>	<b>98,803</b>	<b>291,283</b>	<b>58,152</b>	<b>(732,808)</b>	<b>(57,780)</b>	<b>(49,856)</b>	<b>(10,257)</b>	<b>(1,672,407)</b>	

**RADIANT INSURANCE COMPANY LIMITED**  
**Annual Financial Statements for the year ended 31 December 2022**

**Other Disclosures by Insurers**

**Appendix 3: Detailed revenue account – 31 December 2021**

Class of Insurance	ACCIDENT & HEALTH		PROPERTY ENGINEERING GUARANTEE		MOTOR TRANSPORT		MEDICAL LIABILITY AGRICULTURE		TRAVEL		Total
	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	
Gross written premiums	275,267	1,179,922	644,519	815,733	7,118,268	172,672	1,845,774	399,877	526,527	795,358	13,773,911
Unearned premiums reserve (UPR) opening	92,267	363,166	276,342	211,344	2,244,281	45,615	925,315	172,316	135,293	5,942	4,471,881
Unearned premiums reserve (UPR) closing	(74,755)	(548,265)	(256,837)	(318,867)	(2,300,161)	(88,334)	(719,586)	(228,772)	(59,918)	(45,720)	(4,641,215)
Reinsurance share in UPR opening	(3,649)	(91,342)	(145,103)	(64,433)	(89,781)	(11,007)	(99,777)	(137,983)	(124,510)	-	(767,585)
Reinsurance share in UPR closing	1,524	188,899	177,720	73,175	101,855	61,866	-	198,994	57,948	12,229	874,210
<b>Gross earned insurance premiums</b>	<b>290,654</b>	<b>1,092,380</b>	<b>696,641</b>	<b>716,952</b>	<b>7,074,462</b>	<b>180,812</b>	<b>1,951,726</b>	<b>404,426</b>	<b>535,340</b>	<b>767,809</b>	<b>13,711,202</b>
Outwards reinsurance	(5,611)	(459,145)	(439,961)	(252,615)	(315,208)	(18,574)	(29,494)	(347,822)	(505,590)	(659,797)	(3,033,817)
<b>Net premiums</b>	<b>285,043</b>	<b>633,235</b>	<b>256,680</b>	<b>464,337</b>	<b>6,759,254</b>	<b>162,238</b>	<b>1,922,232</b>	<b>56,604</b>	<b>29,750</b>	<b>108,012</b>	<b>10,677,385</b>
Fees income	1,528	111,031	113,311	78,044	747	219	-	77,119	120,741	26,077	528,817
<b>Net income</b>	<b>286,571</b>	<b>744,266</b>	<b>369,991</b>	<b>542,381</b>	<b>6,760,001</b>	<b>162,457</b>	<b>1,922,232</b>	<b>133,723</b>	<b>150,491</b>	<b>134,089</b>	<b>11,206,202</b>
Net claims paid	-	(64,450)	(78,455)	(821,961)	(6,071,509)	(1,000)	(1,614,409)	(83,747)	(54,321)	-	(8,789,852)
Change in outstanding claims reserve	2,816	(26,765)	(42,943)	40,714	183,399	(464)	(43,825)	(50,915)	17,186	(33)	79,170
<b>Net claims incurred</b>	<b>2,816</b>	<b>(91,215)</b>	<b>(121,398)</b>	<b>(781,247)</b>	<b>(5,888,110)</b>	<b>(1,464)</b>	<b>(1,658,234)</b>	<b>(134,662)</b>	<b>(37,135)</b>	<b>(33)</b>	<b>(8,710,682)</b>
Acquisition cost	(16,706)	(58,972)	(37,568)	(42,275)	(464,719)	(7,521)	(122,413)	(19,914)	(34,792)	(42,804)	(847,684)
Expenses management	(57,664)	(234,587)	(132,425)	(149,519)	(1,682,024)	(40,524)	(447,735)	(58,951)	(120,296)	(147,343)	(3,071,068)
<b>Total expenses</b>	<b>(74,370)</b>	<b>(293,559)</b>	<b>(169,993)</b>	<b>(191,794)</b>	<b>(2,146,743)</b>	<b>(48,045)</b>	<b>(570,148)</b>	<b>(78,865)</b>	<b>(155,088)</b>	<b>(190,147)</b>	<b>(3,918,752)</b>
<b>Underwriting profit</b>	<b>215,017</b>	<b>359,492</b>	<b>78,600</b>	<b>(430,660)</b>	<b>(1,274,852)</b>	<b>112,948</b>	<b>(306,150)</b>	<b>(78,894)</b>	<b>(41,732)</b>	<b>(56,091)</b>	<b>(1,423,232)</b>