PRIME INSURANCE LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

PRIME Insurance

SECURE TOMORROW TODAY

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CORPORATE INFORMATION

BOARD OF DIRECTORS SENIOR MANAGEMENT PRINCIPAL BANKERS

Name	Role	Type	Date Appointed	Nationality
Mr. KARAMAGA Camille	Chairperson	Independent	04 Nov 2022	Rwandan
Mr. Pierre CARPENTIER	Member	Non-Independent	Resigned 20 May 2025	French
Mrs. Holy GARNIER	Member	Non-Independent	28 Nov 2023	French
Mr. Louis Victor DUVAL	Member	Non-Independent	28 Nov 2023	French
Mr. Frederic BAILY	Member	Independent	28 Nov 2023	French
Mr. MURAGIJIMANA Emmanuel	Member	Independent	11 Dec 2020	Rwandan
Prof. TOMBOLA MASERERI Gustave	Member	Independent	06 Nov 2017	Rwandan
Mr. KABEJA Alain	Member	Independent	14 May 2024	Rwandan
Beatha HABYARIMANA	Member	Independent	11 Sep 2025	Rwandan

Name	Position
HAGUMA MURASHI Eugene	Chief Executive Officer
RUGIRA Etienne	Chief Finance Officer
RUZIGANDE Jean Damascene	Technical Director
BYUSA NYIRAMPIRIMA Mike	Commercial Director
UMUTONI Liliane	Head of Company Secretary
Shema Charles Bagabo	Director of Internal Audit

SECRETARY	UMUTONI Liliane MIC Building, KN2 AV Nyarugenge, Kigali – Rwanda
REGISTERED OFFICE	Prime Insurance Limited MIC Building, KN2 AV Nyarugenge, Kigali – Rwanda
AUDITOR	KPMG Rwanda Limited 5th Floor, Grand Pension Plaza, P.O. Box 6755, Kigali
ACTUARY	Zamara Actuaries, Administrators and Consultants Ltd 7th Floor, YUSSA CITY CENTER | KN 48, P.O.Box 4870 Kigali

Guaranty Trust Bank Plc 20 Boulevard de la Revolution P.O. Box 331, Kigali	**Equity Bank Rwanda Plc** Grand Pension Plaza P.O Box 494, Kigali	**I&M; Bank Rwanda Plc** 11 Boulevard de la Révolution P.O. Box 354, Kigali
Bank of Kigali Plc 53, Avenue du Commerce BP 175, Kigali	**BPR Bank Rwanda Plc** KN 67 Street 2 P.O Box 1348, Kigali	**EcoBank Rwanda Plc** Plot 314, Avenue de la Paix BP 3268, Kigali
Development Bank of Rwanda KN 3 Ave, P.O Box 1341 Kigali	**NCBA Bank Rwanda Plc** Kigali Heights, 8th Floor P.O.Box 6774, Kigali	**LOLC UNGUKA Finance PLC** KN 5 Rd, P.O Box 6417 Kigali
AB Bank Rwanda Plc KN 78 ST 15 Nyarugenge, Kigali		
LAWYERS **SHELTER LAW CHAMBERS LTD** KN 4 Ave 18 Kigali, Rwanda	RUKANGIRA LAW CHAMBERS Camp Kigali Road, KN 75 st No 16 P.O. Box 7097 Kigali,Rwanda	

DIRECTORS' REPORT

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

Incorporation

Prime Insurance Limited is incorporated in Rwanda under Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No.019/2023 of 30/03/2023 and is domiciled in Rwanda.

Principal activities

The principal activity of the company is the transaction of general insurance business. The Company was established in 1995 as COGEAR Ltd and obtained an initial licence from the National Bank of Rwanda to offer both general and life insurance services.

	2025 (FRW '000)	2024 (FRW '000)
Profit before taxation	7,028,218	6,246,786
Tax charge	(2,108,783)	(1,822,920)
Net profit for the year	4,919,435	4,423,866

Dividends

The directors recommend payment of Frw 1,000,000,000 as dividend for the ended 31 December 2025 (2024: Frw 1,500,000,000).

Directors

The directors who held office during the year and up to the date of this report are shown on page 2.

Auditor

The Company's auditor, KPMG Rwanda Limited, was appointed during the year 2025 and has indicated willingness to continue in office in accordance with Regulation No 44/2022 of 02/06/2022 determining requirements and other conditions for accreditations of external auditors for regulated institutions.

Approval of the financial statements

The financial statements were approved by the Board of Directors on ...9th March...2026.

BY ORDER OF THE BOARD

Company Secretary

...24th/03/...2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors are responsible for the preparation of financial statements that give a true and fair view of Prime Insurance Limited , as set out from pages 10 to 52 which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board(IFRS Accounting Standards) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No.019/2023 of 30/03/2023.

The company's directors are also responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern for the next twelve months from the date of this statement.

The independent auditor is responsible for reporting on whether, based on their audit, the annual financial statements give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No.019/2023 of 30/03/2023.

Approval of the Financial Statements

The financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on ......[illegible]..|..03..|..2026 and signed on its behalf by:

Director

PRIME INSURANCE LTD
PRIME
P.O BOX 2753 KIGALI

Director

Date: 24/03/2026

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

Telephone +250 788 175 700/ +250 252 579 790
Email: info.rw@kpmg.com
Internet: www.kpmg.com/eastafrica

INDEPENDENT AUDITOR'S REPORT

To the members of Prime Insurance Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prime Insurance Limited ("the Company") as set out on pages 10 to 52, which comprise the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and in the manner required by the Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No.019/2023 of 30/03/2023.

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITOR'S REPOR

Key audit matter	How the matter was addressed in our audit
Valuation of Insurance Contract Liabilities	
Refer to notes 4,7 and 24 of the financial statements	
At 31 December 2025, the Company recognised insurance contract liabilities of Frw 16,207,429 thousand arising from its insurance operations. The Company applies IFRS 17, Insurance Contracts, in accounting for the insurance contracts it issues. The valuation of insurance contract liabilities involves significant judgement and estimation uncertainty. Management applies complex actuarial models and makes a number of key assumptions, including probability-weighted estimates of expected future claims and lapses, expected premiums on insurance contracts, directly attributable expenses, commissions and other related charges. Changes in these assumptions could result in material changes to the valuation. The most significant assumptions used in measuring insurance contract liabilities arising from the Company's insurance contracts relate to: • Discount rates. • Expected claims incurred arising from future coverage. • Risk adjustment for non-financial risk • The uncertainty in the timing of claim payments and recoveries • Past claims experience being an appropriate predictor of future experience. The assumptions adopted have a significant impact on the financial performance of the Company.	Our procedures over the insurance contract liabilities included the following: We tested the design, implementation and operating effectiveness of controls related to the Company's reserving and valuation of insurance contract liabilities, including those over the Company's estimates and projections. We evaluated management's assessment of the eligibility of insurance contracts for measurement under the Premium Allocation Approach (PAA), ensuring that the criteria under IFRS 17 were appropriately met. With the assistance of our actuarial specialists, we evaluated the methods and assumptions used by the Company to estimate the reserves, with a focus on: • Testing the underlying data for a sample of policies and claims the completeness and accuracy of the data used in the actuarial models. This involved reconciling information between the registers and actuarial models to confirm reliability of the inputs. • Assessing the reasonableness of the discount rates used by the Company, by comparing them to the current market interest rates and evaluating whether they appropriately reflected the risk profile of the of the company's insurance liabilities. • Assessing the Company's assumptions regarding future claims experience, including evaluating historical actual versus expected claims experience in relation to the number of delinquencies and the severity assumptions and assessing the timing of claims payments and recoveries using historical data. • Assessing the appropriateness and consistency of the risk adjustment for non-financial risk adopted by the Company, by comparing it to industry practices and considering the Company's risk profile. We also compared it to the previous year-end approach for consistency. • Evaluating management's approach to identifying and measuring onerous contracts, where applicable. • Recalculating the allocation of expected premium receipts under te PAA and assessing the recognition of insurance revenue. • Assessing the accounting treatment of insurance acquisition cash flows to determine whether they were expensed or capitalised in accordance with IFRS 17 • Evaluating the Company's assumptions for reasonability regarding the timing of claim payments and recoveries, considering factors such as the nature of the insurance contracts and historical experience with claim settlement patterns. We assessed the disclosures in the financial statements for adequacy against the requirements of IFRS 17.

Independent auditor's report

Other information

The directors are responsible for the other information. The other information comprises the Information included in the Prime Insurance Limited Annual Report and Financial Statements for the year ended 31 December 2025 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Directors for these Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by Law No.007/2021 of 05/02/2021 Governing Companies as amended by Law No.019/2023 of 30/03/2023, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

Independent auditor’s report

Auditor’s responsibilities for the audit of the financial statements (Continued)

— Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and regulatory requirements

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

— We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;

— Proper accounting records have been kept by the company, so far as appears from our examination.

— We have no relationship, interest or debt with Prime Insurance Limited. As indicated in our report on the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) which includes comprehensive independence and other requirements.

— We have reported internal control matters together with our recommendations to management in a separate management letter.

— According to the best of the information and the explanations given to us as the auditor, as shown by the accounting and other documents of the company, the annual accounts comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies

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

Kaindi

KPMG Rwanda Limited
Certified Public Accountants
P. O. Box 6755
Kigali, Rwanda
Date: 27 March 2026

KPMG Rwanda Ltd
27 MAR 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2025

	Notes	2025 Frw '000	2024 Frw '000
Insurance revenue	9	24,231,630	22,326,670
Insurance service expenses	10	(17,958,009)	(15,332,175)
Insurance service result before reinsurance		**6,273,621**	**6,994,495**
Allocation of reinsurance premiums	11	(8,516,184)	(8,422,666)
Amounts recoverable from reinsurers	12	5,956,501	5,066,718
Net expenses from reinsurance contracts		**(2,559,683)**	**(3,355,948)**
Insurance service result		**3,713,938**	**3,638,547**
Interest revenue (effective interest method)	13	3,321,085	2,855,432
Net impairment loss on financial assets	18	(209,072)	(97,705)
Investment return		**3,112,013**	**2,757,727**
Net finance income from insurance contracts	14(a)	86,384	(186,685)
Net finance income from re-insurance contracts	14(b)	(12,335)	63,427
Net financial results		**74,049**	**(123,258)**
Other income / (expense)	15	128,218	(26,230)
PROFIT BEFORE TAX		**7,028,218**	**6,246,786**
Income tax expense	16(a)	(2,108,783)	(1,822,920)
PROFIT FOR THE YEAR		**4,919,435**	**4,423,866**
Other Comprehensive Income			
Revaluation of property and equipment	22	229,665	-
Equity investments at FVOCI – net change	28	(1,823)	29
Related tax	16(b)	(63,796)	(8)
Total other comprehensive income		**164,046**	**21**
TOTAL COMPREHENSIVE INCOME		**5,083,481**	**4,423,887**

The accounting policies and notes set out on pages 14 to 52 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

ASSETS	Notes	2025 Frw '000	2024 Frw '000
Cash and bank balances	17	2,673,854	1,376,330
Financial investments at amortised cost	18	31,727,046	28,837,905
Reinsurance contract assets	20	6,038,204	4,959,442
Receivable from re-insurance arrangements	19	270,081	158,882
Other assets	23	1,802,653	1,860,206
Equity investment through OCI	21	18,964	20,787
Property and equipment	22	844,380	469,776
Deferred tax assets	16	429,463	504,101
Current tax asset	16(c)	137,861	-
Total Assets		**43,942,506**	**38,187,429**
LIABILITIES	**Notes**	**2025 Frw '000**	**2024 Frw '000**
Insurance contract liabilities	24	16,207,429	14,142,310
Reinsurance contract liabilities	25	1,551,865	1,066,411
Current tax liabilities	16(c)	-	766,297
Other payables	26	6,037,529	5,650,209
Total Liabilities		**23,796,823**	**21,625,227**
EQUITY	**Notes**	**2025 Frw '000**	**2024 Frw '000**
Share capital	27	7,358,200	7,358,200
Retained earnings		12,524,716	9,105,281
Revaluation reserve	22	165,359	-
Statutory and other reserves	28	97,408	98,721
Total Equity		**20,145,683**	**16,562,202**
TOTAL EQUITY AND LIABILITIES		**43,942,506**	**38,187,429**

The financial statements on pages 10 to 52 were approved by the Board of Directors on 9th March 2026 and signed on its behalf by:

PRIME INSURANCE LTD P.O BOX 2753 KIGALI

Chairman

Director

The accounting policies and notes set out on pages 14 to 52 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2025

	Share Capital Frw'000	Retained Earnings Frw'000	Revaluation Reserve Frw'000	Statutory Reserves Frw'000	Other Reserves Frw'000	Total Equity Frw'000
Balance at 1 January 2024	**7,358,200**	**4,681,415**	**-**	**91,815**	**6,885**	**12,138,3 15**
Profit for the year	–	4,423,866	–	–	–	4,423,86 6
Other Comprehensive Income	–	–	–	–	21	21
Total Comprehensive Income	–	4,423,866	–	–	21	4,423,88 7
Balance at 31 December 2024	**7,358,200**	**9,105,281**	**-**	**91,815**	**6,906**	**16,562,2 02**
Balance at 1 January 2025	**7,358,200**	**9,105,281**	**-**	**91,815**	**6,906**	**16,562,2 02**
Profit for the year	–	4,919,435	–	–	–	4,919,43 5
Other Comprehensive Income	–	–	165,359	–	(1,313)	164,046
Total Comprehensive Income	–	4,919,435	165,359	–	(1,313)	5,083,48 1
Dividend paid	–	(1,500,000)	–	–	–	(1,500,00 0)
Balance at 31 December 2025	**7,358,200**	**12,524,716**	**165,359**	**91,815**	**5,593**	**20,145,6 83**

The accounting policies and notes set out on pages 14 to 52 form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2025

	Notes	2025 Frw '000	2024 Frw '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		7,028,218	6,246,786
Depreciation of property and equipment	10	90,442	41,525
Gain on disposal of property and equipment	15	(7,627)	-
Assets write-off	22	700	-
Changes in working capital:			
Financial investments at amortised cost		(2,889,141)	(6,140,554)
Receivable from re-insurance arrangements		(111,199)	64,347
Reinsurance contract assets		(1,078,763)	(292,871)
Insurance contract liabilities		2,065,119	2,342,872
Reinsurance contract liabilities		485,454	(410,528)
Other payables		387,320	1,257,581
Other assets		57,553	(726,856)
Cash generated from operating activities		**6,028,076**	**2,382,302**
Income tax paid	16(b)	(3,002,098)	(1,370,654)
Net cash from operating activities		**3,025,978**	**1,011,648**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	22	(236,081)	(50,442)
Proceeds from disposal of property	15	7,627	-
Net cash from investing activities		**(228,454)**	**(50,442)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,500,000)	-
Net cash from financing activities		**(1,500,000)**	**-**
INCREASE IN CASH AND CASH EQUIVALENTS		**1,297,524**	**961,206**
Cash and cash equivalents at 1 January		**1,376,330**	**415,124**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	17	**2,673,854**	**1,376,330**

The accounting policies and notes set out on pages 14 to 52 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

1. Reporting Entity

Prime Insurance Limited is a company incorporated in Rwanda under the Companies Act of Rwanda, 2012 Laws of Rwanda. The Company is licensed to transact general insurance business as defined by the Insurance Act, 2017 laws of Rwanda. The Company is incorporated in Rwanda. The address of its registered offices is as follows:

Prime Insurance Limited.
MIC Building.
KN2 AV Nyarugenge,
Kigali – Rwanda

2. Basis of Preparation

These financial statements have been prepared in accordance with IFRS Accounting standard as issued by the International Accounting Standard Board (IFRS Accounting Standards) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No.019/2023 of 30/03/2023.

They were authorised for issue by the Company's Board of Directors on 09/03/2026. Details of the company's material accounting policies are included in Note 6.

3. Functional and Presentation Currency

These financial statements are presented in Rwandan Francs (FRW), which is the Company's functional currency. All amounts have been rounded to the nearest thousand ('000'). unless otherwise indicated.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Refer to note 5.

i. Judgements

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

- Impairment of financial assets: establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL. Refer to note 6

- Classification of financial assets: assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest (SPPI) on the principal amount outstanding. Refer to note 6– Level of aggregation of insurance and reinsurance contracts: identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently. Refer to note 6(a)(ii).

- Measurement of insurance and reinsurance contracts: determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract.

ii. Assumptions and estimation uncertainties

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

- Impairment of financial assets: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information; Refer to note 6(n) and note 7

- Recognition of deferred tax assets: availability of future tax profit against which deductible temporary differences can be used.

Information about assumptions made in measuring insurance and reinsurance contracts is included in the note 6(a). Changes in the following key assumptions may change the fulfilment cash flows materially during 2025.

• Discount rates applied to future cash flows;
• Expected future claims arising from coverage provided;
• Risk adjustment for non-financial risk;
• The timing of claim payments and recoveries; and
• The extent to which historical claims experience is indicative of future outcomes.

5. Changes in material accounting policies

New standards, amendments and interpretations effective and adopted during the year ended 31 December 2025

The following new or amended standards and interpretations have become effective for financial year beginning on or after 1 January 2025:

Standard	Description	Effective Date
IAS 21	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

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

The following new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2025 and have not been applied in preparing these financial statements.

Standard/Interpretation		Effective date Periods beginning on or after
IFRS 9 and IFRS 7 amendments	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Amendments to: •IFRS 1 First-time Adoption of International Financial Reporting Standards; •IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and •IAS 7 Statement of Cash flows	1 January 2026
IFRS 18*	IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28 amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	Available for optional adoption/ effective date deferred indefinitely

All the above standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the entity) and are not expected to have a significant impact on the company, except for IFRS 18 as well as amendments to IFRS 9 and IFRS 7 which are still being assessed.

*IFRS 18 Presentation and Disclosure in Financial Statements is expected to have a significant impact. This standard introduces new requirements for presenting and disclosing financial statements, aiming to improve transparency and comparability.The directors are currently assessing the full impact of IFRS 18 on the company's financial statements.

6. Material accounting policies

(a) Insurance contacts

The Company uses IFRS 17 in measuring insurance contracts.

(i) Contracts in the scope of IFRS 17

6. Material accounting policies (continued)

(a) Insurance contacts (continued)

An insurance contract is a contract that transfers significant insurance risk, which is the risk of a significant change in the policyholder's economic value resulting from the occurrence of uncertain future events, including the possibility of the policyholder's loss of some or all of the contractual cash flows, to the issuer.

The Company does not have products which fall outside the scope of IFRS 17 Insurance Contracts. All insurance policies issued fall under the definition of IFRS 17 Insurance Accounting Standard.

(ii) Level of aggregation

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

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

In line with the Standard requirements on aggregation of insurance policies, the insurance contracts under the IFRS 17 portfolios were classified into underwriting year cohorts. Accordingly, policies underwritten over any one year would fall in the same cohort.

The assessment of profitability would be carried out at the level of portfolio on the basis that the principles and assumptions, including risk factors underlying the pricing and valuation of the portfolio under each cohort are similar. It therefore follows that any one portfolio may be profitable or onerous with no further split of the cohorts into IFRS 17 groups of onerous and non-onerous contracts.

However, onerosity testing would be conducted on an annual basis for all contracts in force. This would be done, on a portfolio level, by assessing the difference between the fulfilment cash flows in respect of the remaining coverage under the GMM approach and the PAA reserve. If the PAA reserve is lower than the GMM reserve, the portfolio will be deemed onerous and a loss component, equal to the difference between the two reserves, will be booked.

(iii) Contract boundary

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. compared with the current accounting, the Company expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the

policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

- the company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

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

6. Material accounting policies (continued)
(a) Insurance contacts (continued)

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

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Company considers all risks that policyholders would transfer had the Company issued the contracts (or portfolio of contracts) at the reassessment date.

Similarly, the Company concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service.

The assessment on the Company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Company disregards restrictions that have no commercial substance. The Company also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts.

The Company exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

In estimating expected future cash flows of a group of contracts, the Company applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

The Company assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations.

(iv) Measurement

IFRS 17 introduces a measurement model based on the estimates of the present value of future cashflows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin (CSM).

Premium Allocation Approach (PAA)

The PAA is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. The Company applies PAA to all contracts because the following criteria have been met at inception for all policies issued:

- All contracts underwritten in the year 2025 transfer significant insurance risks from the policyholder to the company and the policyholder can suffer an economic loss in case uncertain future event does occur; hence satisfy the definition of an IFRS 17 definition of an insurance contract.

- All insurance policies are aggregated as per BNR regulations, Rwanda definition of classes of insurance.

- Reinsurance contracts ae aggregated into one portfolio.

- Further aggregation was based on year of policies, underwriting year.

- The bulk of all underlying contracts (over 95% of all policies) are one-year contracts and thus meet the criterion for the application of the PAA on a direct basis.

- Commissions and expenses of management are treated as either directly or indirectly attributable to acquisition of business; and

- All contracts are assumed to be profitable.

6. Material accounting policies (continued)
(a) Insurance contacts (continued)
The PAA eligibility methodology involved:

Projecting all the cashflows for each Group of Contracts to arrive at the Liability for Remaining Coverage (LRC) at each future valuation date. This involved determining the present value of future cashflows, risk adjustment and contractual service margin at each future valuation. Detailed assumptions were made for each of the following:

- Combined ratios
- Acquisition costs
- Claims payment patterns
- Premium earning patterns
- Discount rates
- Risk adjustments
- Contractual service margins.

All these data points required above are available through existing valuation projections while some were determined in conjunction with other policy papers such as discount rates and risk adjustment.

The measurement of LRC is as follows:

- PAA has been adopted for both insurance and reinsurance contracts.
- Revenue under the PAA is recognized by allocating the expected premium.
- For the Company, Premium allocation is based on the passage of time using the 365th Methodology.
- LFRC is not discounted because it is assumed to be one year or less.

Subsequent measurement:

In subsequent periods, the LRC is amortized to recognize the revenue and insurance expenses accordingly. At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period adjusted for the following:

- Premiums received in the period;
- Add insurance acquisition cash flows: unless the entity chooses to recognize the payments as an expense;

- Less any amounts relating to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period; unless the entity chooses to recognize insurance acquisition cash flows as an expense;

- Add amount recognized as insurance revenue for coverage provided in that period; and
- Less investment component paid or transferred to the Liability for incurred claims.

There is no direct inclusion of other expense cash outflows in the calculation of the LFRC unless the contracts are onerous. The allocation of overhead expenses is only relevant for the LFRCa when the onerous loss of an onerous group is to be determined.

Liability for incurred claims (LIC)

The LIC includes both outstanding claims reserve and Incurred But Not Reported Claims (IBNR), both risk-adjusted and discounted.

The following methodology was applied in calculating the LIC:

- Discount Rate Determination: Discount rates were determined using the Bottom-Up approach. National Bank of Rwanda yield curves as of December 2024 were utilized for this purpose.

- The risk adjustment computed on the value at risk was determined as 9.4% of the Best Estimate Liability (BEL) based on the Value at Risk Approach for claim reserves

- The confidence level considered spans from the 60th to the 90th percentile, providing a comprehensive view of potential outcomes.

Components of LIC:

- Outstanding Claims Reserves: Outstanding claims reserves are case estimates as set out by the company on each reported unsettled claim.

- IBNR Calculation: IBNR was derived through Chain Ladder, Bornhuetter Ferguson, and Loss Ratio methodologies on historical paid claims.

Salvage and subrogation reimbursements

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

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

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

(v) Measurement - Significant judgements and estimates
Estimates of fulfilment cash flows (FCFs)

FCFs are the present value of the estimates of future cash flows plus the risk adjustment for non-financial risk (risk adjustment). Determination of FCFs is one of the building blocks of the General Measurement Model (GMM) and Variable Fee Approach (VFA).

FCFs consist of:

- An unbiased and probability-weighted estimate of future cash flows.
- A discount adjustment to present value to reflect the time value of money and financial risks.
- A risk adjustment for non-financial risk.

Under IFRS 17, FCFs are required in respect of insurance contracts issued, reinsurance contracts issued, and reinsurance contracts held. Depending on the available data and the correspondence between the direct and reinsurance held groups, the future cash flows pertaining to reinsurance contracts held may be estimated by subtracting net future cash flows (that is, net of reinsurance held) from gross future cash flows (that is, insurance and reinsurance contracts issued). When doing so, the implied ceded cash flows would be assessed for reasonableness.

The expected value of the future cash flows considers all the cash flows that are expected to emerge from each in-force policy in the future (and within the contract boundary) under the most probable assumptions, excluding any margins for prudence. The cash flows are projected on a monthly basis. All cash flows are multiplied by the persistency assumptions portion in order to exclude cash flows that are not expected to emerge (due to lapses, cancellations among others). The expected inflows are then subtracted from the expected outflows and the final expected value is derived.

6. Material accounting policies (continued)
(a) Insurance contacts (continued)

Discount rates

The Company employs a Bottom-up approach to determine discount rates, using the National Bank of Rwanda yield curve as of December 2024 for 2024 valuations. Cash flows are discounted using risk-free yield curves adjusted for cash flow characteristics and contract liquidity.

Risk-free rates are typically derived from government bond yields and adjusted for contract liquidity with an illiquidity premium.

The table below set out the yield curve used to discount the cash flow of insurance contract:

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Discount Rate (%)	8.3	9.80	11.30	11.58	11.85	11.90	11.95	12.29	12.63	12.97	13	13.04	13.07	13.11	13.14

Risk adjustments for non-financial risk

The risk adjustment is a component of the measurement of insurance contracts for both liabilities for incurred claims and liabilities for remaining coverage. The risk adjustment represents compensation for bearing the uncertainty about the amount and timing of the estimated cash flows, reflecting the cost of bearing the financial risk associated with fulfilling the insurance contracts.

The Value at Risk (VAR) approach was followed as it was practical and relatively easy to calculate and explain. It targets a confidence level as output. The 75th percentile was chosen as the level reflecting the level of confidence required by the Company for the transition at both gross and net.

(vi) Presentation and disclosure

For presentation in the statement of financial position, the Company aggregates insurance contracts issued, and reinsurance contracts held, respectively and presents separately. The portfolios referred to below are those established at initial recognition.

- Portfolios of insurance issued that are assets.
- Portfolios of insurance issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The Company provides disaggregated qualitative and quantitative information about:
- Amounts recognised in respect of insurance and reinsurance contracts.
- Significant judgements, and changes in those judgements, when applying the standard

Insurance revenue- Contracts measured under the PAA

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

- Certain property contracts: the expected timing of incurred insurance service expenses; and
- Other contracts; the passage on time.

6. Material accounting policies (continued)
(a) Insurance contacts (continued)
(vi) Presentation and disclosure (continued)

Onerous contracts

The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognised acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition, the onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for nonfinancial risk. Contracts expected on initial recognition to be lossmaking are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

After the loss component is recognised, the Company allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

The Company presents the impact of onerous contracts in the profit or loss under the Insurance service expense.

Reinsurance contracts held

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

The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

The entity applies the same accounting policies for Insurance contracts to measure a group of reinsurance contracts held and where necessary modifications to reflect features that differ from those of insurance contracts.

Insurance service expenses

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

- Amortisation of insurance acquisition cash flows: For contracts measured under the PAA, the entity amortizes insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.

- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

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

6. Material accounting policies (continued)
(a) Insurance contacts (continued)
(vi) Presentation and disclosure (continued)

Reinsurance Service Expenses

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers. The entity recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts.

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

For a group of reinsurance contracts covering onerous underlying contracts, the company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- On recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and

- For changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the entity expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

The entity presents insurance finance income or expenses in profit or loss.

(b) Revenue recognition
(i) Insurance revenue

The revenue recognition policy relating to insurance contracts is set out under note 6(a).

(ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

6. Material accounting policies (continued)

(iii) Dividend income

Dividend income for equities is recognised when the right to receive payment is established- this is the ex-dividend date for equity securities.

(c) Intangible assets

Costs that are directly associated with identifiable and unique software products that will generate economic benefits beyond one year, are recognised as intangible assets. These assets are amortised using the straight-line method over a period of seven years. Costs associated with maintaining computer software programmes are recognised as an expense as 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 use or sell the software product with the ability to do so;
- 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 the software product are available;
- The expenditure attributable to the software product during development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. The amortisation process commences when the asset is deemed to be in the location and condition for it to be capable of operating in the manner intended by management. Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

(d) Property and equipment

Property and equipment are initially recognised at cost, including directly attributable costs necessary to bring the asset to the location and condition required for its intended use.

Subsequent to initial recognition, the Company applies the cost model to property and equipment. However, where an asset is fully depreciated but continues to be used and is expected to generate future economic benefits, the Company applies the revaluation model to the relevant class of property and equipment in accordance with IAS 16 Property and Equipment. Under the revaluation model, assets are carried at fair value at the date of revaluation, less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from fair values at the reporting date.

Any increase arising on revaluation is recognised in other comprehensive income and accumulated in equity under revaluation surplus, except to the extent that it reverses a previous revaluation decrease recognised in profit or loss. Revaluation decreases are recognised in profit or loss, except to the extent that they offset an existing revaluation surplus for the same asset. At the date of revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount.

Following revaluation, depreciation is charged prospectively over the asset's reassessed remaining useful life. Useful lives and residual values are reviewed at each reporting date and adjusted where appropriate.

Depreciation is calculated on a reducing balance basis using the following estimated useful lives

- Property .... 4 years
- Motor vehicles .... 4 years
- Computer equipment .... 2 years
- Furniture, fixtures and fittings .... 4 years

6. Material accounting policies (continued)

The difference between depreciation based on the revalued carrying amount and depreciation based on the asset's original cost is transferred annually from retained earnings to the revaluation surplus.

Subsequent expenditure relating to property and equipment is capitalised only when it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss in the period in which they are incurred.

(e) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into the functional currency, Rwandan francs, at rates ruling at the transaction dates. Assets and liabilities at the financial reporting date, which are expressed in foreign currencies, are translated into Rwanda francs at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.

(g) Employee benefits

(i) Retirement benefit obligations

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

(ii) Other entitlements

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

(h) Income tax

i) Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Rwanda Income Tax Act. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss.

6. Material accounting policies (continued)

(i) Dividends

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

(j) Share capital

Ordinary shares are classified as 'share capital' in equity and recognised at the fair value of consideration received or receivable without subsequent measurement. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

(k) Comparatives

Comparative figures for the previous year are given alongside the figures for the current period. Where necessary, comparatives figures have been adjusted to conform with the changes in presentations in the current year.

(l) Contingency reserve

The contingency reserve is set up under Section 47(2) (c) of the repealed Insurance Act, 2011 Laws of Rwanda. The reserve is provided for at the greater of 2% of the gross premium income and 15% of net profit each year effective from 1996 and is required to accumulate until it reaches the greater of either minimum paid-up capital or fifty per cent of the net premium written. For prudence, the company still maintains this reserve. These amounts have been presented as part of statutory reserves in the statement of changes in equity.

(m) Capital base growth fund

The capital base reserve is set up as a requirement under the repealed Insurance Act 2011, under which every insurer should transfer from its profits every year, before any dividend is declared and after-tax provision, 5% of its profits, which will subsequently be transferred to the paid-up capital. For prudence, the company still maintains this reserve. These amounts have been presented as part of statutory reserves in the statement of changes in equity.

(n) Financial assets

i) Classification of financial assets

The company recognised deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments including regular way purchases and sales of financial assets are recognised on the trade date on which the company becomes a party to the contractual provisions of the instrument.

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

- those to be measured subsequently at fair value through Other Comprehensive Income (OCI) and
- those to be measured at amortised cost.

ii) Recognition and derecognition

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

6. Material accounting policies (continued)
(n) Financial assets (continued)

iii) Measurement

The below are the measurement category of financial assets.

Financial Assets	Measurement category
Term deposits investments	Amortised cost
Treasury bill	Amortised cost
Government bond	Amortised cost
Investments in equity instruments	FVOCI

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depends on:
- the Company's business model for managing the financial assets; and
- the cash flow characteristics of the asset.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/losses in the period in which it arises.

Equity Instruments

The Company subsequently measures all equity investments at FVTPL. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Dividends from equity investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established. Dividends earned are recognized in the profit or loss statement and are included in the 'investment income' line item.

(iv) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This includes listed equity securities and quoted debt instruments on major exchanges (Rwanda Stock Exchange). The quoted market price used for financial assets held by the Company is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

6. Material accounting policies (continued)

(o) Financial liabilities

For example, a market is inactive when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Fair values are categorized into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, directly (that is. as prices) or indirectly (that is. derived from prices).

• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

(v) Impairment

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

The impairment model applies to the following financial instruments that are not measured at FVTPL:

- Government securities at amortized cost;
- Deposits with financial institutions; and
- Cash and bank balances.

No impairment loss is recognized on equity investments

Debt investments at amortised cost are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses.

The Company's financial liabilities which include borrowings, trade and other payables and lease liabilities fall into the following categories:

Financial liabilities measured at amortised cost: these are initially measured at fair value and subsequent measured at amortised cost, using the effective interest rate method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

All financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are derecognized when, and only when, the Company's obligations are discharged, cancelled or expired.

7. Critical accounting estimates and judgments

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 experiences and other factors, including expected future events that are believed be reasonable under the circumstances.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- The valuation of insurance contract liabilities;
- Impairment of financial assets;
- Income tax and

Valuation of insurance contract liabilities – The following judgements have been made in valuing insurance contract liabilities:

- classification of insurance and reinsurance contracts: assessing whether the contract transfers significant insurance risk;

- level of aggregation of insurance and reinsurance contracts: identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently;

- measurement of insurance and reinsurance contracts: determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract. Whereas care is taken by the Company to ensure that reserving is adequate, a material adjustment to the financial would occur if the Company does not have complete information at the point of reserving.

Impairment of financial assets – the Company reviews their portfolio of financial assets measured at amortized cost on an annual basis. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;

- Choosing appropriate models and assumptions for the measurement of ECL;

- Establishing the number and relative weightings for a forward-looking scenario for each type of product /market and associated ECL; and

- Establishing groups of similar assets for the purposes of measuring ECL.

Income taxes – The Company is subject to income taxes under the Rwanda Income Tax Act. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and the deferred income tax provisions in the period in which such determination is made.

8. Risk management objectives and policies

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

In addition, the company is exposed to financial and operational risks from insurance and reinsurance contracts and financial instruments.

The Company has exposure to the following risks from its use of financial instruments and the insurance & reinsurance contract assets/liabilities:

i. Credit risk
ii. Liquidity risk
iii. Market risk
iv. Insurance risk
v. Capital management

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.

i. Credit risk

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

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

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and sector concentrations, and by monitoring exposures in relation to such limits. It is the Company's policy to invest in high quality financial instruments with a low risk of default.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance strategy.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance strategy.

8. Risk management objectives and policies(continued)
i. Credit risk(continued)

Exposure to credit risk

The gross amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets

Financial Assets	2025 Frw '000	2024 Frw '000
Bank balances	2,737,601	1,402,012
Financial investments at amortised cost	32,542,894	29,482,805
Receivable from re-insurance arrangements	270,081	158,882
Total Financial Assets	35,550,576	31,043,699
Non-financial assets bearing credit risk		
Reinsurance contract assets	6,038,204	4,959,442
Total Non-Financial Assets	6,038,204	4,959,442

The staging of the Company's financial assets and subject to impairment is as follows:

At 31 DECEMBER 2025

Asset Class	Stage 1 Frw '000	Stage 2 Frw '000	Stage 3 Frw '000	Total Frw '000
Cash and bank balances	2,737,601	-	-	2,737,601
Financial investments at amortised cost	32,542,894	-	-	32,542,894
Receivable from re-insurance arrangements	270,081	-	-	270,081
Total	35,550,576	-	-	35,550,576

At 31 DECEMBER 2024

Asset Class	Stage 1 Frw '000	Stage 2 Frw '000	Stage 3 Frw '000	Total Frw '000
Cash and bank balances	431,258	-	-	431,258
Financial investments measured at amortised cost	23,254,340	-	-	23,254,340
Receivable arising out from re-insurance arrangements	223,229	-	-	223,229
Total	23,908,827	-	-	23,908,827

Credit quality analysis

The following tables show reconciliations from the opening balance to the closing balance of the loss allowance by class of financial instrument.

(a) Cash and bank balances

Item	2025 Stage1 Frw '000	2024 Stage1 Frw '000
Balance at 1 January	25,927	16,134
Net measurement of loss allowance	38,125	9,793
Balance at 31 December	64,052	25,927

(b) Deposits placed with banking institutions.

Item	2025 Stage1 Frw '000	2024 Stage1 Frw '000
Balance at 1 January	293,369	151,408
Net measurement of loss allowance	204,602	141,961
Balance at 31 December	497,971	293,369

(c) Government securities at amortised cost

Item	2025 Stage1 Frw '000	2024 Stage1 Frw '000
Balance at 1 January	293,369	151,408
Net measurement of loss allowance	204,602	141,961
Balance at 31 December	497,971	293,369

i) Treasury bills

Item	2025 Stage1 Frw '000	2024 Stage1 Frw '000
Balance at 1 January	15,005	73,546
Net measurement of loss allowance	(15,005)	(58,541)
Balance at 31 December	-	15,005
ii) Government bonds	336,526	332,035
Balance at 1 January	(18,649)	4,491
Net measurement of loss allowance	317,877	336,526
Balance at 31 December	815,848	644,900

Securities are clustered dependent on time left to maturity. Probability of default is based on the country sovereign rating. Loss given default is the weighted coupon on the cluster.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also, a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

To manage this risk, the Company implements the following strategies:

• Maintains a buffer of highly liquid assets: This ensures sufficient cash readily available to meet insurance settlements even if there are delays in reinsurance reimbursements.

• Matches the maturity of cash flow with insurance liabilities: The Company strives to align the maturity of its investments with the expected timing of insurance claim settlements.

• Monitors cash flow projections for both operational and insurance-related outflows. This allows for proactive management of cash resources and identification of potential shortfalls.

• Maintains strong reinsurance relationships: Having reliable reinsurance partners helps mitigate the impact of large claims and ensures timely access to reinsurance proceeds.

In addition to the above, the Company continues to:

- Prepare its cash flow projection for 3 months and rolls it forward on a quarterly basis.
- Monitor daily cash flow requirements.
- Optimize cash return on investments by immediately investing any excess cash on hand.

Financial instruments

The following table provides an analysis of financial assets and liabilities of the Company into relevant contractual maturity based on the remaining periods to maturity as at 31 December 2025.

	< 3 Months Frw'000	3-12 Months Frw'000	1-5 Years Frw'000	> 5 Years Frw'000	Total Frw'000
Financial Assets					
Bank balances	2,737,601	–	–	–	2,737,601
Financial investments	1,484,856	14,541,776	6,354,962	10,161,300	32,542,894
Receivable from reinsurance	–	270,081	–	–	270,081
Total	4,222,457	14,811,857	6,354,962	10,161,300	35,550,576
Financial Liabilities					
Other payables	3,898,210	1,224,431	1,683,789	264,796	7,071,226
Total	3,898,210	1,224,431	1,683,789	264,796	7,071,226
Liquidity Surplus/(Deficit)	324,247	13,587,426	4,671,173	9,896,504	28,479,350

(ii) Liquidity risk (continued)

	Less than 3 months Frw '000'	3 - 12 months Frw '000'	1 - 5 years Frw '000'	After 5 years Frw '000'	Total Frw '000'
Financial Assets					
Bank balances	1,402,012	-	-	-	1,402,012
Financial investments	781,422	15,544,091	672,817	12,484,475	29,482,805
Receivable from reinsurance	-	158,882	-	-	158,882
Total	2,183,434	15,702,973	672,817	12,484,475	31,043,699
Financial Liabilities					
Other payables	1,987,304	624,214	858,394	134,993	3,604,905
Total	1,987,304	624,214	858,394	134,993	3,604,905
Liquidity Surplus/(Deficit)	196,130	15,078,759	(185,577)	12,349,482	27,438,794

Insurance and reinsurance contracts

The following table provides a maturity analysis of the company's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur. Liabilities for remaining coverage have been excluded from this analysis.

Estimates of present value of future cash flows

	Less than 3 months Frw '000'	3 - 12 months Frw '000'	1 - 5 years Frw '000'	After 5 years Frw '000'	Total Frw '000'
Reinsurance contract assets	**984,038**	**2,952,118**	**2,101,714**	**333**	**6,038,204**
Total	**984,038**	2,952,118	2,101,714	333	**6,038,204**
Insurance contract liabilities	2,549,763	**7,868,631**	5,763,596	25,439	**16,207,429**
Reinsurance contract liabilities	-	**1,551,865**	-	-	**1,551,865**
Total	2,549,763	9,420,496	5,763,596	25,439	17,759,294
Net liability position	**(1,565,725)**	**(6,468,378)**	**(3,661,882)**	**(25,106)**	**(11,721,090)**

Estimates of present value of future cash flows

	Less than 3 months Frw '000'	3 - 12 months Frw '000'	1 - 5 years Frw '000'	After 5 years Frw '000'	Total Frw '000'
Reinsurance contract assets	**804,824**	**2,414,476**	**1,718,948**	**272**	**4,938,521**
Total	**804,824**	2,414,476	1,718,948	272	**4,938,521**
Insurance contract liabilities	2,224,877	**6,866,025**	5,029,210	22,198	**14,142,310**
Reinsurance contract liabilities	-	**1,066,411**	-	-	**1,066,411**
Total	2,288,676	7,932,436	5,029,210	22,198	15,208,721
Net liability position	**(1,420,053)**	**(5,517,960)**	**(3,310,262)**	**(21,926)**	**(10,270,200)**

(iii) 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. The Company is exposed to market risk with respect to its investments.

a) Foreign currency risk

The company is exposed to foreign currency transaction risk, especially to the need in which reinsurance contract and payments must be paid using foreign currency. However, the company opt to use regional reinsurers whereby reinsurers have opened accounts in Rwanda and paid using functional currency.

The below summarise the foreign currency exposure position as at 31 December 2025.

Description	2025 USD	Equivalent in Frw '000	2024 USD	Equivalent in Frw '000
Cash and bank balances	**57,954**	84,207	43,484	60,138
Net financial position	**57,954**	84,207	43,484	60,138

The following sensitivity analysis shows how profit or loss and equity would be affected if the foreign currency risk variables had been different at the reporting date with all other variables held constant.

8. Risk management objectives and policies(continued)

2025		2024		
	Effect on profit before tax Frw '000	Effect on equity Frw '000	Effect on profit before tax Frw '000	Effect on equity Frw '000
Currency – USD				
5% strengthening of dollar	**4,210**	3,031	3,007	2,165
5% weakening of dollar	**(4,210)**	(3,031)	(3,007)	(2,165)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk.

There is no direct contractual relationship between financial assets and insurance contracts. However, the Company's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate fixed rate instruments to support the insurance contract liabilities.

The Company has no significant concentration of interest rate risk

(iv) Insurance risk

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 programme 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's activities expose it to various underwriting risks associated with its insurance contracts. These risks can be categorized as:

- Insurance Risk: The risk of losses arising from insured events, including the possibility of the event occurring, the uncertainty of the claim amount, and the timing of claims.

- Policyholder Behaviour Risk: The risk of unexpected changes in policyholder behaviour, such as policy cancellations (lapse risk), adjustments to premiums, or withdrawals of deposits.

- Expense Risk: The risk of unforeseen increases in costs associated with servicing insurance contracts, beyond those directly linked to insured events (e.g., administrative expenses).

Management of insurance Risk

The Company's overall risk management program actively identifies and mitigates potential financial losses associated with its insurance contracts. These underwriting risks encompass potential losses from insured events, unexpected changes in policyholder behavior, and unforeseen increases in servicing costs.

Several key elements form the foundation of this program:

8. Risk management objectives and policies(continued)
(iv) Insurance risk (continued)

• Underwriting Guidelines and Capacity Limits: The Company establishes clear guidelines and limits on the types and amounts of risks it can take on. This ensures a measured approach to risk exposure.

• Reinsurance Planning: The Company utilizes reinsurance to share the burden of significant losses from single events. This transfers a portion of the risk to reinsurers, providing financial stability.

• Credit Policy: A robust credit policy ensures the Company assesses the creditworthiness of clients before accepting them. It also defines criteria for approving intermediaries and reinsurers, safeguarding the Company's financial health.

• Customer Selection: The Company prioritizes selling insurance to customers with a good claims and credit history. This proactive approach helps minimize the risk of bad debt and potential fraudulent claims.

Beyond these core elements, the Company employs various strategies to actively manage underwriting risks within its portfolio:

a. Risk Diversification: The Company spreads its exposure across different types and amounts of insurance risks, geographic regions, and industries. This diversification strategy minimizes the impact of any single event on its financial performance.

b. Product Pricing: Careful consideration is given to product pricing. Premiums are set based on the potential losses associated with each risk, ensuring the Company collects enough capital to cover potential claims.

c. Renewal Pricing (for Non-Life Contracts): For non-life contracts specifically, the Company employs renewal pricing. This allows for adjustments to premiums based on changes in policyholder risk profiles, claims experience, and market conditions. This ensures premiums reflect the current risk landscape.

d. Contract Features: The Company utilizes features like deductibles and claim limits to further mitigate risk (subject to local regulations). These features encourage responsible behavior from policyholders and help manage potential claim costs.

Finally, the Company utilizes reinsurance to manage the risk of significant losses from single events. This includes:

• Excess of Loss and Stop-Loss Reinsurance: A portion of the risk exceeding a pre-defined limit is transferred to reinsurers, providing additional protection against catastrophic events.

• Catastrophe Reinsurance: The Company purchases reinsurance protection against catastrophic events, as required by regulations. This ensures financial stability in the face of major disasters.

• Facultative Reinsurance: For individual exposures exceeding the Company's risk tolerance, the Company can secure additional facultative reinsurance. This provides further customization and flexibility in managing risk.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain. The Company has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Cohort	2019	2020	2021	2022	2023	2024	2025
2019	2,374,520	3,986,031	4,070,338	4,057,339	3,925,191	3,806,134	3,803,563
2020	2,244,253	4,034,151	4,199,759	4,321,365	4,281,344	4,358,774	
2021	3,412,164	6,384,986	6,394,220	6,261,068	6,331,037		
2022	3,372,068	7,031,822	6,496,866	6,582,455			
2023	4,178,751	7,513,029	7,854,619				
2024	4,058,111	7,021,886					
2025	3,686,576						

IBNR	2	1	1	2,337	35,403	160,238	952,748	1,150,731
OCR	72,335	160,304	100,602	1,040,231	1,390,029	2,086,487	3,428,362	8,278,348
ULAE							352,574	352,574
Total Undiscounted Claim Liabilities	72,337	160,305	100,603	1,042,568	1,425,432	2,246,725	4,733,684	9,781,653
Effect of discounting					(700,120)	(700,120)		
Risk Adjustment						953,561	953,561	
Total	72,337	160,305	100,603	1,042,568	1,425,432	2,246,725	4,987,125	10,035,094
2025	3,686,576							

Cohort	2018	2019	2020	2021	2022	2023	2024
2018	1,112,361	2,188,725	2,015,013	1,991,576	1,973,959	1,977,418	1,956,365
2019	2,374,520	4,198,108	4,282,415	4,269,387	4,137,239	4,018,182	
2020	2,463,502	4,253,400	4,419,008	4,540,614	4,500,593		
2021	3,616,877	6,671,841	6,681,119	6,547,966			
2022	4,244,988	7,669,891	7,340,076				
2023	5,774,205	9,024,064					
2024	6,245,315						

IBNR	-	-	-	-	-	166,590	837,737	1,004,328
OCR	28,961	79,290	153,070	266,324	1,417,819	2,365,990	3,152,339	7,463,793
ULAE								-
Total Undiscounted Claim Liabilities	28,961	79,290	153,070	266,324	1,417,819	2,532,580	3,990,077	8,468,121
Effect of discounting								(613,736)
Risk Adjustment								769,337
Total Claim Liabilities	28,961	79,290	153,070	266,324	1,417,819	2,532,580	3,990,077	8,623,723
2025	3,686,576							

8. Risk management objectives and policies(continued)

(V) Fair value estimation

Sensitivity analysis

The table below analyses how the profit or loss and equity would have increased(decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all variables remain constant. The liabilities for incurred claims had increased/decreased by 5% with all other variables held constant, the impact would have been as below:

31 December 2025		Profit or loss	Equity	-
Amount in Frw'000	Gross	Net	Gross	Net
Ultimate claims (5% increase)	447,689	439,909	322,336	316,734
Ultimate claims (5% decrease)	(447,689)	(439,909)	(322,336)	(316,734)
31 December 2024	Profit or loss		Equity	
Amount in Frw'000	Gross	Net	Gross	Net
Ultimate claims (5% increase)	447,689	439,909	322,336	316,734
Ultimate claims (5% decrease)	(447,689)	(439,909)	(322,336)	(316,734)

Fair values versus carrying amounts.

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

Fair value measurement

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

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

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

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

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

	Level 1	Level 2	Level 3
Fair value determined using:	Unadjusted quoted prices in active market for identical assets and liabilities	Valuation model with directly or indirectly market observable inputs	Valuation models using significant non-market observable inputs
Types of financial assets:	Actively traded government and other agency securities	Corporate and other government bonds and loans	Highly structured OTC derivatives with unobservable parameters
Types of financial liabilities:	Listed derivative instruments.	Over the counter (OTC) derivatives	Corporate bonds in illiquid markets
	Listed equities	Over the counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters
	Listed derivative instruments		

Valuation methods and assumptions

Financial assets at FVOCI, treasury bills at amortised cost, term deposits approximate their carrying value amounts due to the short-term maturities of these instruments. The same applies to financial liability mainly other payables.

For government bonds, as the quoted prices of financial assets and liabilities in active markets are not available, the following level 2 valuation technique was used in fair value measurement.

Debt and equity securities:

Discounted cash flow techniques are commonly used for the valuation of debt securities. Discount rates are determined with reference to observable market transactions in instruments with substantially the same terms and characteristics, including the credit quality, the remaining term to repayment of the of the principal and the currency in which the payments are to be made.

For equity securities, the valuation techniques employed generally involve determining a measure of sustainable earnings or dividends and then applying appropriate current market multiple based on publicly available information for similar companies that have actively traded equity securities.

(V) Fair value estimation(continued)

The tables below include items that have recurring fair value measurements

A. Financial instruments measured at fair value

31 December 2025

Carrying Amounts		Fair Value				
		Total	Level 1	Level 2	Level 3	Total
Equity investment through OCI (note 21)	2025	2025	2025	2025	2025	2025
Currency – USD	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
5% strengthening of dollar	18,964	18,964	-	20,787	-	20,787
5% weakening of dollar	18,964	18,964	-	20,787	-	20,787

31 December 2024

Carrying Amounts		Fair Value				
		Total	Level 1	Level 2	Level 3	Total
Equity investment through OCI (note 21)	2024	2024	2024	2024	2024	2024
Currency – USD	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
5% strengthening of dollar	20,758	20,758	-	20,758	-	20,758
5% weakening of dollar	20,758	20,758	-	20,758	-	20,758

B. Financial instruments not measured at fair value

The fair values of financial assets and financial liabilities carried at amortized cost as at 31 December 2025 is as follows;

8. Risk management objectives and policies(continued)
vi) Capital risk management(continued)

31 December 2025

	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Assets	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Financial investments measured at amortised cost	-	32,519,494	-	32,519,494	31,791,679
Receivable arising out from re-insurance arrangements	-	270,081	-	270,081	270,081
Equity investment	-	18,964	-	18,964	18,964
Total	-	32,808,539	-	32,808,539	32,080,724
Liabilities Other payables	-	5,759,876	-	5,759,876	5,759,876
Total	-	5,759,876	-	5,759,876	5,759,876

31 December 2024

	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Assets	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Financial investments measured at amortised cost	-	29,481,199	-	29,481,199	28,837,905
Receivable arising out from re-insurance arrangements	-	158,882	-	158,882	158,882
Equity investment	-	20,787	-	20,787	20,787
Total	-	29,660,868	-	29,660,868	29,017,574
Liabilities Other payables	-	3,604,905	-	3,604,905	3,604,905
Total	-	3,604,905	-	3,604,905	3,604,905

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.

8. Risk management objectives and policies(continued)
vi) Capital risk management(continued)

The National Bank of Rwanda imposes a minimum capital requirement of Frw 3 billioin.

The solvency and capital adequacy margins are calculated based on distribution of assets among investment classes, and the matching of specific classes of assets and liabilities.

The company maintains an efficient capital structure consistent with the company's risk profile and the regulatory and market requirements of its business. The company's objectives in managing its capital are:

- to match the profile of its assets and liabilities taking account of the risks inherent in the business;
- to maintain financial strength to support business growth;
- to satisfy the requirements of its policyholders, regulators and rating agencies;
- to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- to allocate capital efficiently to support growth
- 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.

An important aspect of the company's overall capital management process is the setting of a target risk-adjusted rate of return which is aligned to performance objectives and ensures that the company is focused on the creation of value for shareholders. The company has a number of sources of capital available to it and seeks to optimise its equity/debt structure in order to ensure that it can consistently maximise returns to shareholders. The company considers not only the traditional sources of capital funding but the alternative sources of capital including reinsurance, as appropriate, when assessing its deployment and usage of capital. The company manages as capital all items that are eligible to be treated as such for regulatory purposes.

The Rwandan Insurance Act 2011 as amended in 2017 (S. 48) requires every insurer to maintain; - its capital resources at a level adequate to support its insurance business, considering the nature, scale and complexity of that business and its risk profile. In this regard the insurance regulatory Authority of Rwanda introduced regulations under statutory instrument 2025, No. 99 which introduced Risk based supervision model which require every entity to have a capital adequacy ratio of 100%.

The capital adequacy ratio at the end of the year is calculated as below:

Item	2025	2024
	Frw'000	Frw'000
Tier 1 Capital	19,788,567	16,463,481
Tier 2 Capital	328,386	98,721
Deductions	(2,906,823)	(1,522,400)
Capital Available	17,210,130	15,039,802
Market Risk	10,394	100,241
Credit Risk	4,443,863	3,973,972
Insurance Risk	2,046,389	3,902,343
Operational Risk	1,467,725	612,945
Capital Required	7,968,371	8,589,501
Capital Adequacy Ratio	216%	175%

The company complied with the capital Adequacy ratio of 100% as required by Insurance Regulatory Authority.

9. Insurance service revenue

Item	2025	2024
	Frw'000	Frw'000
Contracts measured under the PAA	23,830,483	22,071,390
Insurance policy fees	401,147	255,280
	24,231,630	22,326,67

10. Insurance service expense

Item	2025	2024
	Frw'000	Frw'000
Gross Claims Paid	9,480,966	7,617,759
Changes in estimates in LIC fulfilment cash outflows	1,048,133	1,326,822
Amortisation of insurance acquisition cash outflows	2,674,307	2,574,604
Attributable expenses **	4,754,603	3,812,990
	17,958,009	15,332,175

**Prime Insurance Limited follows the full approach of other operating expenses. The below is breakdown of attributable expenses

Other operating expenses*	2025	2024
	Frw'000	Frw'000
Employees compensation	2,780,996	2,061,446
Other staff related costs	141,424	183,537
Board of Directors	127,048	91,953
Depreciation (Note 22)	90,442	41,525
Professional fees	133,985	172,571
Marketing & Advertising costs	191,573	186,322
IT costs& communication	247,540	265,063
Training	49,626	28,279
Short term leases	169,139	132,170
Office and branch expenses	66,500	57,800
Administration	336,601	245,029
Repair and maintenance costs	42,814	13,817
Vehicle running expenses	51,242	47,733
Travel & Transportation	74,177	74,583
Bank charges	74,328	75,788
Fines and Penalties	53,167	24,211
	4,754,603	3,812,990

11. Allocation of reinsurance premiums

Item	2025	2024
	Frw'000	Frw'000
Reinsurance Premium Incurred	8,516,184	8,422,666
	8,516,184	8,422,666

12. Amounts recoverable from reinsurers for incurred claims

Item	2025	2024	
	Frw'000	Frw'000	
Reinsurance recoveries from gross claims paid	8,516,184	8,422,666	
Changes in estimates in LIC fulfilment cash inflows	714,401	54,970	
Amortisation of insurance acquisition cash inflows	2,792,659	2,763,206	
	5,956,501	5,066,718	

13. Interest revenue calculated under the effective interest method

Item	2025	2024	
	Frw'000	Frw'000	
Interest income from government bonds	1,819,579	1,697,810	
Interest income from term deposits	1,471,770	922,220	
Interest income from government treasury bills	29,736	235,402	
	3,321,085	2,855,432	

14. Insurance finance (expense)/ income

(a) Insurance finance income or expense from insurance contracts

Item	2025	2024	
	Frw'000	Frw'000	
Interest accreted on present value cash flows	86,384	1,697,810	
	86,384	(186,685)	

(b) Insurance finance income or expense from reinsurance contracts

Item	2025	2024	
	Frw'000	Frw'000	
Interest accreted on present value cash flows	(12,335)	63,427	
	(12,335)	63,427	

This relates to the impact of interest rate fluctuations on the valuation of insurance liabilities, as reflected in the net finance income/expense, which incorporates interest accretion on discounted cash flows and risk adjustments as required by IFRS 17

15. Other Income/ (expense)

Item	2025	2024	
	Frw'000	Frw'000	
Sundry income	132,245	40,523	
Exchange gain on cash and bank balances	(11,654)	(66,753)	
Gain on disposal of fixed assets	7,627	-	
	128,218	(26,230)	

16. Taxation

a) Movement in deferred tax balances

Deferred tax is calculated on all temporary differences under the statement of financial position liability method using the applicable tax rate. The deferred tax asset comprises:

2025

Category	Opening Frw'000	P&L; Frw'000	OCI Frw'000	Closing Frw'000
Financial investments, cash and bank	**187,832**	**58,540**	–	**246,372**
Property and equipment	**(19,300)**	**(424)**	**(64,307)**	**(84,031)**
Insurance contract asset	**276,796**	**(65,191)**	–	**211,605**
Equity investment through OCI	**(2,877)**	–	511	**(2,366)**
Provisions	**61,650**	**(3,768)**	–	**57,882**
Net deferred tax asset	**504,101**	**(10,843)**	**(63,796)**	**429,462**

2024

Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December	Closing Frw'000
	Frw'000	**Frw'000**	Frw'000	**Frw'000**
Financial investments, cash and bank	**(20,270)**	**970**	**-**	**(19,300)**
Property and equipment	**(16,127)**	**16,127**	-	**-**
Insurance contract asset	**288,029**	(11,233)	-	**276,796**
Equity investment through OCI	**(2,869)**	**-**	(8)	**(2,877)**
Provisions	**46,910**	**14,740**	**-**	**61,650**
Net deferred tax asset	464,187	39,922	(8)	504,101

b) Income tax expense

	2025	2024
	Frw'000	**Frw'000**
Current tax charge	**2,097,940**	1,862,842
Deferred tax charge/(credit)	**10,843**	(39,922)
Tax charge	**2,108,783**	1,822,920

Reconciliation of taxation to accounting profit	Effective	2025	Effective	2024	
	Frw'000	Tax rate	Frw'000	Tax rate	
Accounting profit before taxation		7,028,218	6,246,786		
Tax applicable rate of 28% (2024- 29.4%)	28%	1,967,901	28%	1,749,100	
Tax effect on non-deductible expenses	2%	140,882	0.8%	51,581	
Tax effect on change in tax rates*	-	-	0.4%	22,239	
Taxation charge	30%	2,108,783	29.2%	1,822,920	

Included in non-deductible expenses are items such as impairment of assets, IFRS 9 expected credit losses and effect of IFRS 17. These items are expected to recur in future periods.

c) Current tax (asset)/ liabilities

	2025	2024	
	Frw'000	Frw'000	
Opening corporate tax payable	766,297	274,109	
Current tax charge	2,097,940	1,862,842	
Tax paid	(3,002,098)	(1,370,654)	
	(137,861)	766,297	

17. Cash and bank balances

	2025	2024	
	Frw'000	Frw'000	
Cash at bank	2,737,601	1,402,012	
Cash at hand	305	245	
Gross cash and bank balances	2,737,906	1,402,257	
Less: Expected credit losses	(64,052)	(25,927)	
Net cash and bank balances	2,673,854	1,376,330	

18. Financial investments measured at amortised cost

	2025	2024	
	Frw'000	Frw'000	
Deposits placed with banking institutions	19,378,144	14,975,467	
Treasury bills	-	568,624	
Government bonds	13,164,749	13,938,714	
Gross financial investments measured at amortised cost	32,542,893	29,482,805	
Less: Expected credit losses	(815,847)	(644,900)	
Financial investments measured at amortised cost net of ECL	31,727,046	28,837,905	

Amounts recognised in profit or loss

	Cash and bank balances Frw'000	Financial investments Frw'000	Total
	Frw'000	Frw'000	Frw'000
Balance at 1 January 2025	25,927	644,900	670,827
Increase in ECL	38,125	170,947	209,072
Balance at 31 December 2025	64,052	815,847	879,899

	Cash and bank balances Frw'000	Financial investments Frw'000	Total
	Frw'000	Frw'000	Frw'000
Balance at 1 January 2025	16,134	556,989	573,123
Increase in ECL	9,793	87,911	97,705
Balance at 31 December 2025	25,927	644,900	670,828

19 Receivable arising out from re-insurance arrangements

	2025	2024
	Frw'000	Frw'000
Receivable arising out from re-insurance arrangements	270,081	158,882
	270,081	158,882

20 Reinsurance Contract Assets

	2025	2024	
	Frw'000	Frw'000	
Outstanding claims recoverable	2,632,954	2,091,564	
RI Share Effect of Discounting	(167,687)	(155,352)	
RI Share Risk Adjustment	284,314	196,764	
	2,749,581	2,132,976	

Liability for remaining coverage

	2025	2024	
	Frw'000	Frw'000	
Share in Unearned premium reserve	4,703,723	4,132,905	
Deferred acquisition costs-Earned	(1,415,100)	(1,306,439)	
	3,288,623	2,826,466	
	6,038,204	4,959,442	

21 Equity investment through OCI

	2025	2024	
	Frw'000	Frw'000	
MIG Limited	15,443	15,443	
Goshen Limited	3,521	5,344	
	18,964	20,787	

	Motor Vehicles Frw'000	Furniture & Fittings Frw'000	Office & Other Equipment Frw'000	Computer Equipment Frw'000	Leasehold Improvements Frw'000	Work in Progress Frw'000	Total Frw'000
COST / VALUATION							
As at 1 January 2024	130,802	149,584	57,430	275,568	201,574	303,386	1,118,344
Additions		22,797	114	16,840		10,691	50,442
As at 31 December 2024	**130,802**	**172,381**	**57,544**	**292,408**	**201,574**	**314,077**	**1,168,786**
Additions	185,000	1,541	305	26,650	6,406	16,180	236,082
Disposal/Write off	(5,665)			(700)			(6,365)
Revaluation	75,668	59,337	13,974	80,686			229,665
As at 31 December 2025	**385,805**	**233,259**	**71,823**	**399,044**	**207,980**	**330,257**	**1,628,168**
DEPRECIATION							
As at 1 January 2024	89,071	145,686	55,879	241,667	125,182		657,485
Depreciation charge	11,772	6,742	925	16,733	5,353		41,525
As at 31 December 2024	**100,843**	**152,428**	**56,804**	**258,400**	**130,535**		**699,010**
Depreciation charge	36,214	10,832	2,620	35,596	5,181		90,443
Disposal	(5,665)						(5,665)
As at 31 December 2025	**131,392**	**163,260**	**59,424**	**293,996**	**135,716**		**783,788**
NBV as at 31 December 2024	**29,959**	**19,953**	**740**	**34,008**	**71,039**	**314,077**	**469,776**
NBV as at 31 December 2025	**254,413**	**69,999**	**12,399**	**105,048**	**72,264**	**330,257**	**844,380**

The Company carried out a revaluation of selected items of property and equipment in May 2025, primarily relating to vehicles, furniture and fittings, IT equipment and other equipment that were fully depreciated but remained in use and continued to generate future economic benefits.

The revaluation of furniture, IT equipment and other equipment was performed by Aflink Rwanda Ltd, an independent and professionally qualified valuer. Motor vehicles were valued internally by a qualified valuer approved by the Central Bank for valuation purposes in the insurance claims process.

For assets other than vehicles, the valuation was based on the Depreciated Replacement Cost method, which adjusts replacement cost for physical condition, age, functional obsolescence, and economic factors, and the revaluation resulted in a total fair value of RWF 322,823,682, comprising RWF 247,155,600 determined by the independent valuer and RWF 75,668,082 determined by the internal valuer, with any revaluation surplus recognised in other comprehensive income and accumulated in equity after deferred tax in line with IAS 12.

Following the revaluation, depreciation is charged prospectively over the assets' reassessed remaining useful lives, commencing from September 2025, while useful lives and residual values are reviewed at each reporting date, and revaluations are performed every four years.

If property and equipment were stated at the historical cost basis, the amounts would be as follows:

	Motor Vehicles Frw 000	Furniture & Fittings Frw 000	Office & Other Equipment Frw 000	Computer Equipment Frw 000	Leasehold Improvements Frw 000	Work in Progress Frw 000	Total Frw 000
Cost	310,137	173,922	57,849	318,358	207,980	330,257	1,398,503

	Motor Vehicles Frw 000	Furniture & Fittings Frw 000	Office & Other Equipment Frw 000	Computer Equipment Frw 000	Leasehold Improvements Frw 000	Work in Progress Frw 000	Total Frw 000
Accumulated depreciation	(128,239)	(160,788)	(58,842)	(287,272)	(135,716)		(770,857)
Net book value	**181,898**	**13,134**	**(993)**	**31,086**	**72,264**	**330,257**	**627,646**

23. OTHER ASSETS

23 — Other Assets	2025 Frw'000	2024 Frw'000
Other taxes recoverable*	1,034,421	1,352,151
Other receivables	581,590	310,721
Prepayments	125,782	140,244
Statutory Deposits	51,187	48,195
Staff advances	6,465	5,635
Amount due from related companies	3,208	3,260
Total	**1,802,653**	**1,860,206**

Other taxes recoverable relates to VAT and WHT paid by the Company to be recovered from RRA.

24(a). INSURANCE CONTRACT LIABILITIES

24(b) Roll Forward Reconciliation of Insurance Contract Liabilities, Year Ended 31 December 2025

Insurance Contract Liabilities	2025 Frw'000	2024 Frw'000
LIABILITY FOR REMAINING COVERAGE (LRC)		
Unearned premium reserve	11,718,388	9,615,817
Loss component	427,829	41,525
Assets for insurance acquisition cashflows	(1,001,142)	(834,044)
Subtotal LRC	**11,145,075**	**8,823,298**
LIABILITY FOR INCURRED CLAIMS (LIC)		
Outstanding claim reserves	9,781,653	8,798,176
Effect of Discounting	(700,120)	(613,736)
Risk adjustment	953,561	769,337
Subtotal LIC	**10,035,094**	**8,953,777**
Gross insurance contract liabilities	**21,180,169**	**17,777,075**
Insurance contract asset	(4,972,740)	(3,634,765)
Net Insurance Contract Liabilities	**16,207,429**	**14,142,310**

	No te	2025 — Liability for Remaining Coverage Frw'000	2025 — Estimates of PV of Future Cashflows Frw'000	2025 — Risk Adjustm ent Frw'000	2025 — Total Frw'000	2024 — Liability for Remaining Coverage Frw'000	2024 — Estimates of PV of Future Cashflows Frw'000	2024 — Risk Adjustm ent Frw'000	2024 — Total Frw'000
Insurance contract asset as at 01 January		8,823,298	8,184,440	769,337	17,777,075	(4,898,920)			(4,898,9 20)
Insurance contract liabilities as at 01 January	24(a)	(3,634,765)			(3,634,765)	8,713,625	7,255,645	729,088	16,698,3 58
Net insurance liabilities as at 01 January		5,188,533	8,184,440	769,337	14,142,310	3,814,705	7,255,645	729,088	11,799,4 38
Changes in the Statement of Profit or Loss and OCI									
Insurance revenue	9	(24,231,63 0)			(24,231,630)	(22,326,67 0)			(22,326, 670)
Insurance Service Expenses									
Incurred claims and other insurance service expenses	10		15,099,478	184,224	15,283,702		12,717,322	40,249	12,757,5 71
Amortization of insurance acquisition cash flows	10	2,674,307			2,674,307	2,574,604			2,574,60 4
Total service expenses		2,674,307	15,099,478	184,224	17,958,009	2,574,604	12,717,322	40,249	15,332,1 75
Insurance service result		(21,557,32 3)	15,099,478	184,224	(6,273,621)	(19,752,06 6)	12,717,322	40,249	(6,994,4 95)
Net finance (incomes)/ expenses from insurance contracts			86,384		86,384		(186,685)		(186,685)
Total changes in statement of profit or loss and OCI		(21,557,32 3)	15,185,862	184,224	(6,187,237)	(19,752,06 6)	12,530,637	40,249	(7,181,1 80)
Cash Flows									
Premiums received		25,048,334			25,048,334	23,764,421			23,764,4 21
Claims and other insurance service expense paid			(14,288,76 9)		(14,288,769)		(11,601,84 2)		(11,601, 842)
Insurance acquisition cash flows paid		(2,507,209)			(2,507,209)	(2,638,527)			(2,638,5 27)
Total cash flows		22,541,125	(14,288,76 9)		8,252,356	21,125,894	(11,601,84 2)		9,524,05 2
Insurance contract liabilities as at 31 December		11,145,075	9,081,533	953,561	21,180,169	8,823,298	8,184,440	769,337	17,777,0 75
Insurance contract asset as at 31 December		(4,972,740)			(4,972,740)	(3,634,765)			(3,634,7 65)
Net insurance liabilities as at 31 December		6,172,335	9,081,533	953,561	16,207,429	5,188,533	8,184,440	769,337	14,142,3 10

24(b) Roll Forward Reconciliation of Reinsurance Contract Liabilities — Year Ended 31 December 2025

	No te	2025 — Liability for Remaining Coverage Frw'000	2025 — Estimates of PV of Future Cashflows Frw'000	2025 — Risk Adjustm ent Frw'000	2025 — Total Frw'000	2024 — Liability for Remaining Coverage Frw'000	2024 — Estimates of PV of Future Cashflows Frw'000	2024 — Risk Adjustm ent Frw'000	2024 — Total Frw'000
Re-insurance contract asset as at 01 January	20	2,826,466	1,936,212	196,764	4,959,442	2,685,478	1,775,864	205,229	4,666,57 1
Re-insurance contract liabilities as at 01 January	25	(1,066,411)			(1,066,411)	(1,476,939)			(1,476,9 39)
Net insurance liabilities as at 01 January		**1,760,055**	**1,936,212**	**196,764**	**3,893,032**	**1,208,539**	**1,775,864**	**205,229**	**3,189,63 2**
Changes in the Statement of Profit or Loss and OCI									
Allocation of reinsurance premiums	11	(8,516,184)			(8,516,184)	(8,422,666)			(8,422,6 66)
Reinsurance Service Expenses									
Amounts recoverable from reinsurers for incurred claims			3,076,292	87,550	3,163,842		2,311,976	(8,464)	2,303,51 2
Amortization of insurance acquisition cash flows		2,792,659			2,792,659	2,763,206			2,763,20 6
Total service expenses		**2,792,659**	**3,076,292**	**87,550**	**5,956,501**	**2,763,206**	**2,311,976**	**(8,464)**	**5,066,71 8**
Insurance service result		**(5,723,525)**	**3,076,292**	**87,550**	**(2,559,683)**	**(5,659,460)**	**2,311,976**	**(8,464)**	**(3,355,9 48)**
Net finance income/(expense) from reinsurance con-tracts			(12,335)		(12,335)		63,427		63,427
Total changes in statement of profit or loss and OCI		**(5,723,525)**	**3,063,957**	**87,550**	**(2,572,018)**	**(5,659,460)**	**2,375,403**	**(8,464)**	**(3,292,5 21)**
Cash Flows									
Premiums paid		8,384,226			8,384,226	8,859,119			8,859,11 9
Claims and other insurance service expense recovered			(2,534,902)		(2,534,902)		(2,215,055)		(2,215,0 55)
Insurance acquisition cash flows received		(2,683,997)			(2,683,997)	(2,648,143)			(2,648,1 43)
Total cash flows		**5,700,229**	**(2,534,902)**		**3,165,327**	**6,210,976**	**(2,215,055)**		**3,995,92 1**
Reinsurance contract asset as at 31 December	20	3,288,623	2,465,267	284,314	6,038,204	2,826,466	1,936,212	196,764	4,959,44 2
Reinsurance contract liabilities as at 31 December	25	(1,551,865)			(1,551,865)	(1,066,411)			(1,066,4 11)
Net insurance liabilities as at 31 December		**1,736,758**	**2,465,267**	**284,314**	**4,486,339**	**1,760,055**	**1,936,212**	**196,764**	**3,893,03 2**

25. REINSURANCE CONTRACT LIABILITIES

25 — Reinsurance Contract Liabilities	2025 Frw'000	2024 Frw'000
Coinsurance Payables	545,334	697,347
Reinsurance Payables	1,006,531	369,064
Total	**1,551,865**	**1,066,411**

26. OTHER PAYABLES

26 — Other Payables	2025 Frw'000	2024 Frw'000
Amount due from related companies	249,802	168,812
Insurance claims payable	1,211,674	1,232,796
Commission payable	612,571	485,639
Medical claims payable	588,426	660,029
Accrued Other employee benefits	93,895	109,921
Accrued Social security and taxes	42,572	178,935
Guarantee Fund Payable	39,997	29,526
Guarantee Hold	2,018,371	1,650,174
Other accrued expenses	30,335	62,324
Other payables	785,752	815,522
Suppliers	253,283	212,581
Taxes payable — PAYE	110,851	43,950
Total	**6,037,529**	**5,650,209**

27. SHARE CAPITAL

	2025 Frw'000	2024 Frw'000
At the beginning of the year	**7,358,200**	**7,358,200**
New share issue		
At year end	**7,358,200**	**7,358,200**

The total authorised number of shares is 73,582 with a par value of Frw 100,000 per share. All issued shares are fully paid. There is one class of ordinary shares. All shares carry equal voting rights. No new share capital injected during the year.

28. STATUTORY RESERVE AND OTHER RESERVES

	2025 Frw'000	2024 Frw'000
Fair value reserves	5,593	6,906
Contingent reserves	11,702	11,702
Other reserves	80,113	80,113
Total	**97,408**	**98,721**

Fair Value Reserves	2025 Gross Frw'000	2025 Deferred Tax Liability Frw'000	2025 Net Frw'000	2024 Gross Frw'000	2024 Deferred Tax Liability Frw'000	2024 Net Frw'000
MIG				29	(8)	21
GOSHEN	1,823	(511)	1,312			
Total	**1,823**	**(511)**	**1,312**	**29**	**(8)**	**21**

29. CURRENT / NON-CURRENT DISTINCTION

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

31 December 2025	Within 12 Months Frw'000	After 12 Months Frw'000
ASSETS		
Cash and bank balances	2,673,854	
Financial investments measured at amortised cost	15,961,999	15,765,047
Reinsurance contract assets	3,711,549	2,326,655
Receivable arising from re-insurance arrangements	270,081	
Other assets	1,802,653	
Equity investment through OCI		18,964
Property and equipment	90,442	753,938
Deferred tax assets		429,463
Current tax asset	137,861	
Total Assets	**24,648,439**	**19,294,067**
LIABILITIES		
Insurance contract liabilities	10,421,164	5,786,265
Reinsurance contract liabilities	1,551,865	
Other payables	4,794,307	1,243,222
Total Liabilities	**16,767,336**	**7,029,487**
Net	**7,881,103**	**12,264,580**

31 December 2024	Within 12 Months Frw'000	After 12 Months Frw'000
ASSETS		
Cash and bank balances	1,376,330	
Financial investments measured at amortised cost	16,325,514	12,512,391
Reinsurance contract assets	3,240,221	1,719,221
Receivable arising from re-insurance arrangements	158,882	
Other assets	1,860,206	
Equity investment through OCI		20,787
Property and equipment	41,525	428,251
Deferred tax assets		504,101
Total Assets	**23,002,678**	**15,184,751**
LIABILITIES		
Insurance contract liabilities	9,090,902	5,051,408
Reinsurance contract liabilities	1,066,411	
Corporation tax	766,297	
Other payables	4,656,822	993,387
Total Liabilities	**15,580,432**	**6,044,795**
Net	**7,422,246**	**9,139,956**

30. RELATED PARTY BALANCES AND TRANSACTIONS

A. Parent and Ultimate Controlling Party

During 2023, the majority of the Company's shares were acquired by FINAFRICA from Rwanda Mountain Tea. As a result, the new ultimate controlling party is FINAFRICA. The previous ultimate controlling party was Rwanda Mountain Tea. Prime Life Insurance Ltd is a sister company.

Prime Insurance Limited shareholding composition as of 31st December 2025 is as below:

No	Name of Shareholder	Total Shares	Shareholding %
1	FINAFRICA	37,526.82	51%
2	KITABI TEA COMPANY	26,095.05	35.46%
3	Rubaya-Nyabihu	6,512.31	8.85%
4	Egide GATERA	1,499.08	2.04%
5	Alain KABEJA	890.74	1.21%
6	Succession Vedaste RUBANGURA	400	0.54%
7	Josiane NDIZIGIYE MUTANGANA	235	0.32%
8	Francois KAREKEZI	101	0.14%
9	Assinapol RWIGARA	90	0.12%
10	Jean KAREKEZI	70	0.10%
11	Pierre Celestin KANIMBA	50	0.07%
12	Evariste SISSI	50	0.07%
13	Jean Damascene RURANGIRWA	20	0.03%
14	Joseph NSENGIMANA	17	0.02%
15	Prosper HIGIRO	15	0.02%
16	Jerome GASASIRA RUTAGENGWA	10	0.01%
	Grand Total	**73,582.00**	**100.00%**

B. Transactions with Key Management Personnel

Key management personnel include members of senior management. The compensation paid or payable to key management personnel for employee services is below:

Key Management Compensation	2025 Frw'000	2024 Frw'000
Salaries and wages	385,579	385,579
Contributions to Rwanda Social Security Board	13,420	13,420
Total	**398,999**	**398,999**

C. Directors' Remuneration

Directors' Remuneration	2025 Frw'000	2024 Frw'000
Sitting allowance	97,810	80,120
Other benefits	29,238	11,833
Total	**127,048**	**91,953**

D. Amounts Due to and from Related Parties

The following summarises the balances and transactions with FINAFRICA and Prime Life Insurance.

Related Party Balances	2025 Frw'000	2024 Frw'000
Due to Prime Life Insurance (note 26)	(249,802)	(168,812)
Due from FINAFRICA (note 23)	3,208	3,260
Net	**(246,594)**	**(165,552)**

This mainly relates to the pension contributions payable to Prime Life Insurance and shared costs recharged between the entities (for example, internet and other administrative expenses). The balances are unsecured, non-interest bearing and have no fixed repayment terms; they are expected to be settled in normal course of business.

31. CONTINGENT LIABILITIES

As at 31 December 2025, the Company was exposed to claims and potential obligations arising in the normal course of its insurance business. These exposures are considered as part of the claims reserving process and are assessed and provided for using the same methodologies applied to reported claims. The directors believe that the claims reserves recognised in the financial statements adequately reflect the obligations arising from these exposures.

32. SUBSEQUENT EVENTS

There were no events after the reporting period which required adjustment to or disclosure in the financial statements (2024: Nil).

33. DIVIDENDS

After reporting date, the following dividends were proposed by the Board of Directors subject to approval by the shareholders at the Annual General Meeting and Regulator, National Bank of Rwanda.

33 — Dividends	2025 Frw'000	2024 Frw'000
Frw 6,795 per qualifying ordinary share	1,000,000	1,500,000
Total	**1,000,000**	**1,500,000**

QUANTITATIVE DISCLOSURES

	Item		Amount (Rwf'000)/Ratio 2025	Amount (Rwf'000)/Ratio 2024
A.	**Solvency Coverage**			
	a) Solvency Required		**2,711,328**	2,467,532
	b) Admitted Assets		**40,690,475**	34,696,966
	c) Admitted Liabilities		**31,957,466**	27,201,243
	c) Solvency Available		**8,733,009**	7,495,723
	d) Solvency Surplus (Gap)		**6,021,681**	5,028,191
	e) Solvency Coverage Ratio		**322%**	304%
B.	**Capital Strength**			
	a) TAC (Total Available Capital)		**17,210,130**	15,039,802
	b) RCR (Risk Based Capital Required)		**7,968,371**	8,589,501
	c) Capital Adequacy Ratio		**216%**	175%
C.	**Earnings Risk**			
	a) Claims Ratio		**42%**	47%
	b) Underwriting expenses ratio		**18%**	17%
	c) Management Expenses Ratio		**30%**	28%
D.	**Investment Exposure**			
	Investment Exposure(s) - Investment above 10% of total assets			
	Government Bonds		**13,164,749**	13,938,714
	Term deposit		**19,378,144**	15,544,09
	b) Earnings assets ratio		**72%**	76%
	C) Investment Property Ratio		**N/A**	N/A
	d) Equities Assets Ratio		**0.04%**	0.05%
E.	**Liquidity Risk**		**145%**	140%
	a) Liquidity Ratio (LCR)			
G.	**Business Composition**		**51,725**	46,158
	a) Number of Policyholders		**55,895**	48,033
	b) Number of Policies in Force			
H.	**Management and Board Composition**			

	Item		Amount (Rwf'000)/Ratio 2025	Amount (Rwf'000)/Ratio 2024
	a) Number of Board Members (Independent and Non-Independent)		**8**	8
	b) Number of Board Committees		**3**	3
	c) Number of Senior Management Staff by Gender			
	Male		**5**	5
	Female		**1**	1
I.	**Staff**			
	a) Total Number of Non-Managerial Staff by Gender:			
	Male		**52**	54
	Female		**37**	37
J.	**Insurance Intermediaries**			
	a) Number of Insurance Agents		**127**	140
	b) Number of Loss Adjusters		**8**	8
K.	**Franchises**			
	Kigali City		**36**	34
	Eastern Province		**7**	11
	Southern Province		**5**	6
	Western Province		**5**	6
	Northern Province		**5**	6

Thank You