Financial Statements
for Year ended 2022

#Ntakibazo*177#

PRIME
Insurance
SECURE TOMORROW TODAY

PRIME INSURANCE AT A GLANCE

Gross
Written Premium
(In 000's)

18,140,989 RWF

Underwriting profit before management expenses (In 000's)

4,029,377RWF

Underwriting profit (In 000's)

1,488,289 RWF

Profit before income tax (In 000's)

3,344,560 RWF

Total Assets (In 000's)

29,709,606 RWF

Total Liabilities (In 000's)

20,025,442 RWF

Total Equity (In 000's)

9,684,164 RWF

Solvency Coverage Ratio
228%

Capital Adequacy Ratio
153%

Management Expenses Ratio
30%

Liquidity Ratio (LCR)
93%

Number of Policies in Force
41,075

Number of branches by Province

Kigali City - **32**
Eastern Province - **12**
Southern Province - **5**
Western Province - **8**
Nothern Province - **4**

Number of Agents (Country Wide)
63

Number of senior management staff by gender
9
2

Number of Board Members (Independent and Non Independent
7

Number of Board committees
3

Total Number of non-managerial staff by Gender
38
25

FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

Prime Insurance Ltd is an insurance company operating short term insurance business and is licensed and regulated by the National Bank of Rwanda.

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 page 12 to 58 which comprise the statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies and Regulation No. 47/2022 of 02/06/2022 on publication and other disclosures by insurers.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The published financials statement for year ended 31 December 2022 have been approved by the company Board held on 21st March 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Frw "000"	2021 Frw "000"
Gross premium earned	25	15,591,864	11,179,096
Premium Ceded to reinsurers	26	(6,981,786)	(3,502,824)
Net earned premium		**8,610,078**	**7,676,272**
Gross claims paid	27	(6,496,761)	(4,690,299)
Amount recoverable from reinsurers	28	2,600,543	1,612,661
Net effect of change in outstanding claims	29	(959,089)	(425,944)
Net Claim Incurred		**(4,855,307)**	**(3,503,582)**
Acquisition cost	30	(1,449,240)	(1,444,293)
Commission received	31	1,723,846	1,003,051
Net commission income		**274,606**	**(441,242)**
Underwriting profit before management expenses		**4,029,377**	**3,731,448**
Operating and other expenses	32	(2,541,088)	(2,487,744)
Underwriting profit		**1,488,289**	**1,243,704**
Investment income	33	1,515,154	1,144,750
Finance and other income	34	341,117	309,341
Total investment and other income		**1,856,271**	**1,454,091**
Profit before income tax		**3,344,560**	**2,697,795**
Income tax expense	35	(1,078,961)	(854,544)
Profit for the year		**2,265,599**	**1,843,251**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Change in fair value of equity investment (net of tax)	25	3,420	-
Total comprehensive income for the year		**2,269,019**	**1,843,251**

The notes set out on pages 16 to 58 form an integral part of these financial statements. For information and notes refer to our web site:www.prime.rw

Financials statement for year end 2021 have been restated due to inclusion of effect of diferred tax assets, which change the income of year 2021 from Rwf 1,739 million to Rwf 1,843 million.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 Frw "000"	Restated* 2021 Frw "000"	Restated* 2020 Frw "000"
Assets				
Cash and bank balances	6	1,521,689	965,034	1,004,781
Deposits placed with financial institutions	7	5,930,017	4,052,294	2,992,720
Corporate bonds	8	650,871	650,871	650,711
Government bonds	9	10,564,918	7,816,515	6,078,248
Other assets	10	1,025,636	809,199	525,938
Reinsurance share of technical provisions and reserves	11	4,498,435	2,918,591	1,861,366
Receivables arising out of direct insurance arrangements	12	3,369,721	2,163,799	2,281,677
Receivables arising out of re-insurance arrangements	13	360,224	364,285	277,123
Deferred acquisition costs	14	1,066,291	416,188	306,328
Equity investment	15	15,891	11,000	40,631
Property and equipment	16	441,752	265,194	119,225
Deferred tax assets		264,161	298,050	194,137
Total assets		**29,709,606**	**20,731,021**	**16,332,855**
Liabilities				
Unearned premium reserve	17	8,016,310	5,467,783	3,985,183
Insurance contract liabilities	18	5,200,193	4,532,782	3,937,668
Deferred commissions income	19	1,033,454	336,347	353,038
Other payables	20	3,644,091	2,596,613	1,943,780
Corporate Income Tax	35.b	241,264	139,908	555,119
Creditors arising from reinsurance arrangements	21	1,890,130	242,441	(13,798)
Total liabilities		**20,025,442**	**13,315,875**	**10,761,111**
Equity				
Share capital	22	7,358,200	7,358,200	7,358,200
Statutory and other reserves	23	95,235	91,815	91,815
Retained earnings/(accumulated losses)	24	2,230,729	(34,869)	(1,878,120)
Total equity		**9,684,164**	**7,415,146**	**5,571,895**
Total Equity and Liabilities		**29,709,606**	**20,731,020**	**16,332,885**

These financial statements on pages 13 to 58 were approved by the Board of Directors on 21/03/2023 and signed on its behalf by:

Names: HAGUMA Murashi Eugene

Signature:--

Names: MARARA Shyaka Patrick

Signature:--- --

Financials statement for year end 2021 have been restated due to inclusion of effect of deferred tax assets of Rwf 298 million which change the total assets in 2021 from Rwf 20,433 Million to Rwf 20,731 Million.

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Share capital	Retained Earnings	Statutory Reserve	Other reserve	Total Equity
		Frw 000	Frw 000	Frw 000	Frw 000	Frw 000
As at 1 Jan 2020, as previously reported		7,358,200	(4,266,960)	91,815	-	3,183,055
Adjustment on restatement of deferred tax	38	-	194,137	-	-	194,137
Restated balance at 1 Jan 2020		**7,358,200**	**(4,072,823)**	**91,815**	**-**	**3,377,192**
Other comprehensive income for the year restated						
Profit for the year		-	2,194,702	-	-	2,194,702
Other comprehensive income for the year		-	-	-	-	-
Total other comprehensive income for the year restated		**-**	**2,194,702**	**-**	**-**	**2,194,702**
Restated balance at 1 Jan 2021		**7,358,200**	**(1,878,121)**	**91,815**	**-**	**5,571,894**
Profit for the year		-	1,739,338			1,739,338
Adjustment on restatement of deferred tax	38		103,913			103,913
Other comprehensive income for the year		-	-	-	-	-
Restated at 31 December 2021		**7,358,200**	**(34,870)**	**91,815**	**-**	**7,415,145**
Other comprehensive income for the year restated						-
Profit for the year		-	2,265,599			2,265,599
Other comprehensive income for the year		-	-	-	3,420	3,420
Total other comprehensive income for the year restated		**7,358,200**	**2,230,729**	**91,815**	**3,420**	**9,684,164**

The notes set out on pages 17 to 58 form an integral part of these financial statements. Visit our web site for full information (www.prime.rw)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Frw "000"	2021 Frw "000"
Profit before income tax		**3,344,560**	2,697,845
Adjustments for:		-	-
Depreciation on property and equipment	18	49,600	32,920
Interest income			
Loss on disposal of property		10,260	(2,666)
Operating loss before changes in working capital		**3,404,420**	**2,728,099**
Changes in working capital:			
Increase in Reinsurance share of technical provisions and reserves		(1,579,843)	(1,057,225)
(Increase)/decrease in receivables arising out of direct insurance arrangements		(1,205,922)	117,877
Decrease/(Increase) in receivables arising out of reinsurance arrangements		4,062	(87,162)
Increase in deferred acquisition costs		(650,104)	(109,859)
Increase in tax recoverable		33,889	-
Increase in other assets		(216,437)	(283,261)
Increase in unearned premiums		2,548,527	1,482,600
Increase in deferred commissions income		697,107	(16,691)
Increase in insurance contract liabilities		667,411	595,114
Increase in other payables and provisions		1,047,477	555,750
Increase in creditors arising from reinsurance arrangements		1,647,690	256,239
Cash generated/(used in) from operating activities		**6,398,275**	**4,181,481**
Tax paid		(859,674)	(1,276,704)
Interest Income		(1,515,154)	(1,144,750)
Net Cash Generated from operating activities		**4,023,447**	**1,760,027**
Investing activities			
Purchase of property and equipment	18	(236,427)	(176,223)
Interest income received		1,332,141	1,144,750
Investments in Deposits placed with financial institutions	7	(1,877,723)	(1,059,504)
Investment in corporate bonds	8	-	(160)
Investment in government bonds	9	(2,748,403)	(1,738,267)
Unquoted Equity		-	29,631
Proceeds from sale of property and equipment		63,620	-
Net cash generated from investing activities		**(3,466,792)**	**(1,799,773)**
Increase/(decrease) in cash and cash equivalents		556,655	(39,747)
Cash and cash equivalents at start of the year	6	965,034	1,004,781
Cash and cash equivalents at end of the year		**1,521,689**	**965,034**
Represented by			
Cash and bank balances	6	**1,521,689**	**965,034**

QUANTITATIVE DISCLOSURES

	Item	Formula/Description	Amount (Rwf'000)/Ratio	
			2022	2021
A.	**Solvency Coverage**			
	a) Solvency Required		1,669,936	1,318,316
	b) Admitted assets		24,039,407	17,167,577
	c) Admitted Liabilities		20,224,821	14,315,932
	c) Solvency Available		3,814,585	2,851,645
	d) Solvency surplus (Gap)		2,144,650	1,533,329
	e) Solvency Coverage ratio		228%	216.31%
B.	**Capital Strength**			
	a) TAC (Total Available Capital)		8,209,471	6,471,608
	b) RCR (Risk Based Capital Required)		5,369,694	5,664,072
	c) Capital Adequacy ratio)		153%	114%
C.	**Earnings risk**			
	a) Claims Ratio	Net claim incurred/Net Earned Premiums	56%	46%
	b) Underwriting expenses ratio	Net commission/Net Earned Premiums	-3%	6%
	c) Management expenses Ratio	Operating Expenses/Net Earned Premiums	30%	32%
D	**Investment Exposure**			
	a) Investment exposure(s)	Any investment above 10% of total assets		
		Government Bonds	10,564,918	7,816,515
	b) Earnings assets ratio	Earning Assets/Total assets	58%	60%
	C) Investment property ratio	Investments Property/Total assets	N/A	N/A
	d) Equities assets ratio	Investments Equities/Total assets	0.1%	0.1%
E	**Liquidity Risk**			
	a)Liquidity ratio(LCR)	Liquid assets/Current liabilities	93%	101%

F	**Exposure to related parties**			
	a)Loans to Directors and senior management		N/A	N/A
	b)Loans to employees/staff		3,168	3,306
	c)Loans to subsidiaries and affiliates		N/A	N/A
	d)Loans to shareholders/holding company		N/A	N/A
	e) Investments in related parties		N/A	N/A
G	**Operational Risk**			
	Number and types of Frauds and their corresponding amount		N/A	N/A
H	**Business Composition**			
	a) Number of policyholders		24,245	20,590
	b) Number of policies in Force		41,075	36,335
I	**Management and Board Composition**			
	a) Number of Board Members (Independent and Non Independent		7	7
	b) Number of Board committees		3	3
	c) Number of senior management staff by gender			
		Male	9	9
		Female	2	2
J	**Staff**			
	a) Total Number of non-managerial staff by Gender:			
		Male	38	38
		Female	25	18
K	**Insurance Intermediaries**			
	a) Number of insurance agents		63	114
	b) number of loss adjusters			
L	**Branches**			
	a) Number of branches by Province:			
		KIGALI CITY	32	22
		EASTERN PROVINCE	12	11
		SOUTHERN PROVINCE	05	4
		WESTERN PROVINCE	08	5
		NOTHERN PROVINCE	04	3

Revenue per Product Year end 2022

	Motor	Fire	Engineering	Liability	Accident	Marine	Bonds	Livestock	Other	Medical	Grand Total
GWP	**7,740,489**	**3,271,496**	**2,029,173**	**580,384**	**300,148**	**104,036**	**1,262,469**	**62,353**	**663,031**	**2,126,813**	**18,140,391**
Premium Ceded	- 698,367	- 2,685,060	- 1,658,696	- 369,866	- 131,941	- 74,867	- 884,501	- 31,422	- 503,088	- 1,703,108	- 8,740,917
NWP	**7,042,121**	**586,436**	**370,477**	**210,518**	**168,207**	**29,169**	**377,968**	**30,931**	**159,942**	**423,705**	**9,399,474**
Net Change UPR	**- 440,800**	**121,583**	**- 172,870**	**- 110,836**	**- 31,835**	**5,755**	**52,956**	**- 14,018**	**- 21,902**	**- 177,429**	**- 789,396**
UPR GROSS C/F	2,890,826	1,795,936	1,261,873	352,153	143,089	15,027	383,921	37,029	249,313	887,143	8,016,310
UPR GROSS B/F	2,400,912	1,433,115	591,033	199,855	112,860	34,450	448,937	36,621	210,001	-	5,467,783
UPR CESSION C/F	53,259	1,435,289	1,099,741	235,756	60,920	10,496	238,834	18,686	203,293	709,714	4,065,988
UPR CESSION B/F	4,145	950,884	601,771	194,294	62,525	24,164	250,895	32,295	185,883	-	2,306,858
NEP	**6,601,322**	**708,018**	**197,608**	**99,682**	**136,372**	**34,924**	**430,924**	**16,913**	**138,040**	**246,276**	**8,610,078**
Claims Paid	- 3,558,026	- 789,542	- 456,282	- 430,755	- 20,128	- 332,364	- 85,442	- 228,596	- 418	- 595,208	- 6,496,761
Reinsurance share	269,928	630,157	411,203	260,354	-	259,459	53,025	205,096	322	510,999	2,600,543
Net Claims Paid	- 3,288,098	- 159,385	- 45,079	- 170,401	- 20,128	- 72,905	- 32,417	- 23,499	- 96	- 84,209	- 3,896,217
Net Change in Provisions	- 699,698	4,115	- 53,180	- 172,593	91,544	15,371	- 63,892	3,404	- 29,117	- 55,043	- 959,089
Net Claims Incurred	**- 3,987,796**	**- 155,271**	**- 98,258**	**- 342,994**	**71,416**	**- 57,534**	**- 96,309**	**- 20,096**	**- 29,213**	**- 139,252**	**- 4,855,307**
Commission earned	9,711	592,999	367,349	38,026	39,311	39,967	257,931	3,338	126,866	248,348	1,723,846
Commission incurred	- 677,019	- 267,129	- 122,031	- 15,071	- 27,633	- 21,934	- 97,214	- 4,371	- 65,746	- 151,093	- 1,449,240
Net Commission	**- 667,308**	**325,871**	**245,318**	**22,954**	**11,679**	**18,033**	**160,717**	**- 1,033**	**61,120**	**97,256**	**274,606**
Operating Expenses	- 1,957,261	- 269,754	- 5,707	- 12,254	- 30,607	- 5,372	- 125,784	- 7,554	- 68,935	- 57,861	- 2,541,088
Underwriting Resultat	**- 11,044**	**608,865**	**338,960**	**- 232,612**	**188,860**	**- 9,948**	**369,547**	**- 11,770**	**101,012**	**146,419**	**1,488,289**
Investment income	1,135,159	94,531	59,719	33,935	27,114	4,702	60,927	4,986	25,782	68,299	1,515,154
Other Income	270,128	36,212	766	1,645	4,109	721	16,885	1,014	9,254	383	341,117
Profit before Tax	**1,394,243**	**739,608**	**399,446**	**- 197,032**	**220,083**	**- 4,525**	**447,359**	**- 5,770**	**136,048**	**215,101**	**3,344,560**
Tax	- 469,919	- 230,964	- 124,738	61,529	- 68,727	1,413	- 139,701	1,802	- 42,485	- 67,171	- 1,078,961
PAT	**924,324**	**508,644**	**274,707**	**- 135,503**	**151,355**	**- 3,112**	**307,658**	**- 3,968**	**93,563**	**147,930**	**2,265,599**

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