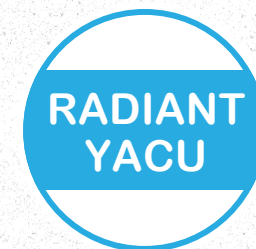




**INTEGRATED
REPORT FOR
THE YEAR 2022**



MICROINSURANCE COMPANY

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PREAMBLE

RADIANT YACU Ltd is the first and only Dedicated Microinsurance Company motivated by the drive to help the people of Rwanda secure better lives and future by helping them mitigate the impact of financial losses that arise from insurable risks that confront them.

RADIANT YACU Ltd was registered on 15 January 2019, and it was licensed by the National Bank of Rwanda (BNR) on 10 June 2020 to carry out Microinsurance businesses. The company operates from its Head Office located at CHIC Building in Kigali City; Nyarugenge District Its Share Capital is FRW Frw 600,000,000 fully paid up by local investors.

RADIANT YACU Ltd is the leading microinsurance service provider of inclusive insurance services to the underserved and unserved population. RADIANT YACU Ltd uses a dynamic and multiple distribution channels to effectively serve those market segments.

COMPANY INFORMATION

VISION

To be a market leader in the provision of inclusive microinsurance solutions in Rwanda

MISSION

To improve our clients' lives through provision of innovative and customer centric micro inclusive insurance products.

Values

- Excellence
- Integrity
- Respect
- Teamwork
- Customer centricity

MOTTO

A promise is a promise!

Our Goal

To be the preferred microinsurer by various market segments in Rwanda.

STRATEGIC GOALS AND OBJECTIVES

- Achieve high standards of professionalism and systems in the company
- Build strong partnerships
- Grow shareholders' value and wealth
- Enhanced image and reputation of the company
- Embrace and implement a customer centric Approach



Yussuf MUGIRANEZA
Chairman of the Board of Directors

STATEMENT OF THE CHAIRMAN OF THE BOARD

I am pleased to present to you the integrated report of RADIANT YACU Ltd for the year ended 31st December 2022. As provided by the Regulation N° 30 /2019 of 16/12/2019 on publication of financial statements and other disclosures by insurers, the report aims at disclosing to the general public and to our stakeholders the company's annual activities and performance during the year then ended.

Economic environment

According to BNR annual report 2021-2022, Rwanda's economy grew at 8.9 percent against- the 4.4 percent recorded in the previous financial year. This is because public health restrictions in response to the pandemic were relaxed due to a countrywide vaccination campaign that allowed businesses to re-open. Over the past year, the global environment has become more complex and challenging. With the impacts of Covid-19 still lingering, and the ongoing Russia-Ukraine war, global growth is projected to experience a sharper-than expected decline, and a continued rise in inflation. On the financial sector front, the Rwandan financial sector remained stable and sound, with capital adequacy and liquidity remaining above minimum prudential requirements. The sector continued to grow, with total assets increasing by 17.5 percent to FRW 8,145 billion in June 2022 from FRW 6,933 billion in June 2021. This growth was mainly attributed to an increase in deposits of lending institutions, capital, and more contributions of pension and investment income.

Insurance sector overview

Insurance sector was composed of 13 private insurance companies of which 9 provide general insurance products, 3 provide life insurance, 1 Dedicated microinsurance company RADIANT YACU Ltd (a subsidiary of RADIANT Insurance Company) , 1 Captive insurance company, 1 Health maintenance organization (Eden Care) and 2 public institutions providing health insurance (RSSB and MMI).

Insurers heavily depend on motor and medical insurance products. As at end June 2022, Motor and medical insurance products contributed 63.9 percent of total private insurer's premiums, reflecting the product concentration risk. Property represented 12.6 percent, guarantees (4.2 percent), engineering (5.5 percent), accident and health (2.3 percent), liability (2.3 percent), transportation. (1.9 percent), and other non-life insurance products (7.3 percent.).

The balance sheet of the insurance sector continued to expand. Total assets of the insurance sector grew by 17 percent as at end June 2022 compared to the growth of 16 percent registered in June 2021. This growth reflected the increased investment income and capital increment. Claims in private insurance increased in the period under review. As at June 2022, private insurers recorded the growth of the claims in value by 16 percent to Frw 30 billion. The growth of claims in motor was partially associated with an increase in spare parts price and increased labor cost all associated with increased inflation. Also, the number of road users involved in the accident increased in the period under review which also explains the increase of claims in Motor.

COMPANY PERFORMANCE REVIEW

During the financial year 2022, RADIANT YACU Ltd has had a relatively good financial performance in terms of growth and profitability compared to the previous year. As at 31st December 2022, gross written premiums were FRW 3,529,642,000 that is 228 % of gross premiums written FRW 1,547,983,000 as at 31 December 2021. As a result, RADIANT YACU Ltd has made a profit before tax of FRW 623,274,000 as at 31 December 2022 compared to FRW 93,564,000 achieved in 2021. The Net Profit after tax was Frw 432,348,000 compared to FRW 84,016,000 as at 31 December 2021.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank everyone who contributed to this year's strong success. First and foremost, I want to thank my fellow Board Directors for their leadership, passion, and dedication, which enabled the Board to effectively fulfill its duties and obligations.

I appreciate RADIANT YACU Ltd's shareholders for their sustained faith and support to the Board of Directors, which has contributed to the smooth operation of RADIANT YACU. I would also like to thank the Management and the whole employees of RADIANT YACU Ltd for their dedication and hard work that enabled us to accomplish these outcomes.

As the Board, we reaffirm our commitment to improving our performance to meet the company's objectives and set goals. To sustain RADIANT YACU Ltd 's growth and profitability, we will continue to foster good relationships with customers by providing them with quality and innovative insurance services.

Finally, I would like to express my gratitude to our valued customers and all our business partners for their trust and choosing RADIANT YACU Ltd as their preferred Microinsurance partner.

Yussuf MUGIRANEZA
Chairman of the Board of Directors



Ovia K. TUHAIRWE
Chief Executive Officer

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

During the year under review, we remained determinedly committed to good, transparent, and compliant corporate governance. We remained true to our purpose and kept our commitment to serve the low-income segments by providing suitable solutions to their needs. The strict attention we pay to this commitment has enabled us to achieve the excellent results we have delivered despite the challenges posed by the post Covid-19 pandemic and the ongoing war of Russian and Ukraine.

We have recorded a good financial performance in the year 2022 both in terms of growth and profitability. As at 31st December 2022, gross written premiums were FRW 3,529,642,000 that is 228 % of gross premiums written FRW 1,547,983,000 as at 31 December 2021. As a result, RADIANT YACU Ltd has made a profit before tax of FRW 623,274,000 as at 31 December 2022 compared to FRW 93,564,000 achieved in 2021. The Net Profit after tax was Frw 432,348,000 compared to FRW 84,016,000as at 31 December 2021.

RADIANT YACU Ltd has a strong team of dedicated employees, the majority of whom have relevant qualifications and experiences in their respective areas of work. They are result oriented and committed to satisfying the needs of our esteemed clients. In addition to that, RADIANT YACU Ltd also organizes On-Job Trainings, job rotations, coaching and formal trainings for the staff to be able to address any performance gaps as soon as they are identified.

Outlook for 2023

We will continue to leverage and take advantage of modern information and communication technologies to improve our strategies and reach our customers.

We will launch a micro saving product for the low income earners and for the segments with irregular monthly income. It will give them the leverage tool and a chance to manage and transform their irregular income flows into a dependable resource to meet their short-term targeted projects for future development plans.

To conclude, I would like to extend my gratitude to our valued customers, shareholders, Board of Directors, senior Management, and staff for their respective roles in achieving this year's results.

I strongly believe that with a dedicated team and a supportive Board of Directors and Shareholders, we shall be able to continue meeting the company's objectives and to deliver high quality services to our clients, basing on our Motto; " A promise is a promise "

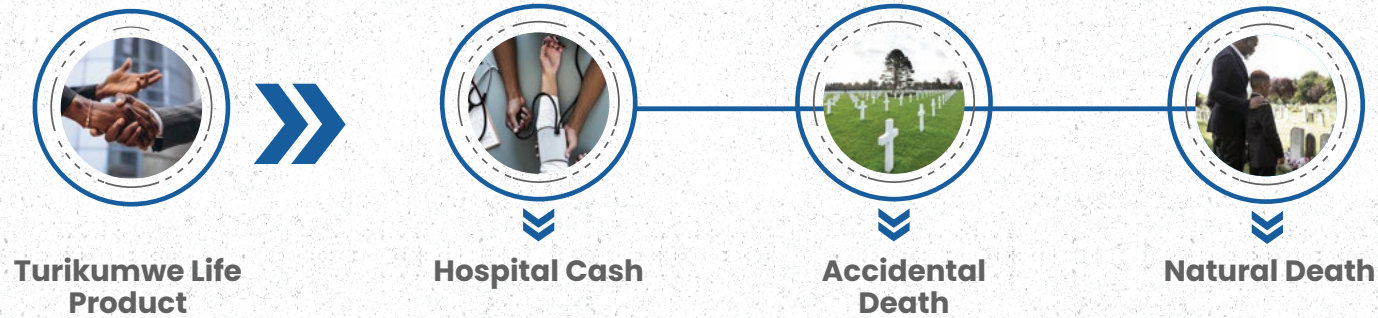
Thank you,

Ovia K. TUHAIRWE
Chief Executive Officer

OUR PRODUCTS

RADIANT YACU Ltd offers Life and Non-Life Microinsurance business through a range of products highlighted below :

Turikumwe Microinsurance product :



This product is tailor made to cover low-income segment against losses arising –of accidental death, funeral benefit in case of natural death, and a hospital cash in case of hospitalization due to illness or by an accident during the term of cover.

Livestock Microinsurance product :



Milking Cattle & Heifers



Piggery



Poultry

Indemnify the insured subject to the limit of indemnity in respect to the insured's livestock during the period of insurance due to the because of : Accident (lightning, internal and external injuries, snake bites, flooding, and landslide. Emergency slaughter on advice of a qualified veterinary surgeon /practitioner, Epidemics, The policy cover : indigenous, cross bred and exotic cattle, pigs, and Chicken.

Crop Microinsurance product



Rice



Irish potatoes



French Beans



Maize



Chili



Beans



Soya beans



Cassava



CHIA SEEDS



Coffee



Tea

Covers compensation for adverse seasonal weather conditions. Losses due to non-preventable risks eg drought, dry spells, floods, inundation, pests and disease, landslides, natural fire and lightening, storms hailstorm and cyclone. Crop insured are the following : Rice, maize, Irish potatoes, French beans, Chili, Cassava, Soya beans, Beans. RADIANT YACU is implementing agriculture products under the public -private partnership.

Credit life Microinsurance Product :



Credit Life

It has been revealed that Financial Institutions (Banks, MFIs, SACCOs and Non- U-SACCOS) provide Loans to its customers and Sometimes customers are required to take out insurance, such as credit insurance (Loan Protection) of the applicant or representative of the company applying for the loan, this cover is against Death, Total Permanent Disability, Retrenchment, critical illness, and it is cover for all beneficiaries of loans facilities.

Personal and group Personal Microinsurance Product



Group & Personal Credit Life Accidents

The group or personal accident insurance covers compensation for death, total permanent disability, and medical expenses because of accident.

Students Microinsurance product



Students Liability Insurance

It covers against the accidental death, permanent disability, and medical fee. While public liability compensation for bodily damage and material damage.

OUR CLIENTELE

RADIANT YACU Ltd operates from its Head Office in Kigali and has 54 independent branches spread all over the country. Our clientele encompasses smallholder farmers (engaged in Livestock i.e cattle, piggery & poultry and Crop farming especially Rice, Tea, coffee, maize, irish potatoes, beans etc), private and public schools, low income borrowers (Saccos, MFIs and Banks), low wage factory workers, microentrepreneurs, motorbike riders ...

REGISTERED ADDRESS

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P.O. Box 1861 Kigali
Tel: (250) 788381093
Short code: -----
E-mail: info@radiantyacu.rw
Web site: www.radiantyacu.rw

CORPORATE GOVERNANCE

The structure of RADIANT YACU's governance comprises of the shareholders' the Board of Directors, Management, and the external auditors. Shareholders have appointed a board of Directors with a mix of knowledge and experience to lead the company. The Board is responsible for oversight functions, which are defined as those providing overall strategy and direction for the Microinsurer, as well as checks and balances to ensure the effective implementation of strategies and policies by the management.

The Board entrusted the day-to-day running of activities to the Chief Executive Officer assisted by the Executive Committee or senior Management which is also appointed by the Board.

Members of the board and senior management are held accountable and responsible for their action.

In conducting the business, RADIANT YACU Ltd ensures compliance with all the rules, regulations, and laws applicable to microinsurance business in Rwanda as well as with other relevant laws. The decision making and powers are exercised with integrity, responsibility, accountability, and transparency.

SHAREHOLDERS

Shareholders of RADIANT YACU Ltd have the duty to protect, preserve and actively exercise their authority through general assemblies of shareholders. They are responsible to the appointed Board of Directors. They make sure that the appointed Directors are credible persons who have professional qualifications or knowledge and experience necessary to lead the company towards the fulfillment of its mission and goals.

The recruitment is done as and when necessary to fill vacancies in the Board of Directors. Candidates are assessed on the basis of merit, related skills, and competencies without any discrimination on the basis of religion, race, or sex in accordance with RADIANT YACU Ltd 's nomination Policy.

Shareholders of RADIANT YACU Ltd as at 31 December 2022 are listed in the following table:

BOARD OF DIRECTORS

Board members are appointed by Shareholders for a term of three (3) years renewable only twice, and their re-election is subject to compliance with the code of ethics and business conduct and the board meeting attendance policy.

The Board of RADIANT YACU Ltd is made up of 5 Directors with a mix of relevant knowledge, skills, and experience to provide effective leadership and oversight of the company. The Chairperson of the Board is responsible for ensuring proper functioning of the Board of Directors in accordance with the Board Charter in order to provide the company with effective leadership.

The Board of RADIANT YACU Ltd is responsible for setting strategic objectives and clear performance goals of the company, and for overseeing implementation of approved strategies, policies, and procedures by Management. It is also within the responsibility of the Board to monitor and control the operational and financial performance of the Company, while the day-to-day management has been delegated to the Chief Executive Officer.

Board Directors are entitled to receive a sitting allowance, the amount of which is determined by the General Meeting of Shareholders. Other kinds of remuneration in terms of compensation or benefits to Directors may also be decided by the Shareholders' meeting. The following Directors served during the financial year 2022 and were in office at the date of this report:

Director's Name		Category	Date of appointment
1	Mr. MUGIRANEZA Yussuf	Non-Executive Director	Appointed in December 2018 (Chairperson from January 2019)
2	Mr. KABAKA François Régis	Non-Executive Director	Appointed in January 2019
3	Mr. KAZUNGU Jean Bosco	Non-Executive Director	Appointed in January 2019
4	Mr. NDAYISENGA Davis	Non-Executive Director	Appointed in January 2019
3	Mr. KAMUGWIZA Phobé	Non-Executive Director	Appointed in January 2019

BOARD COMMITTEES

Pursuant to Regulation N° 11/2017 of 23/11/2017 on corporate governance, risk management and internal controls requirements for insurance business, the Board has instituted 3 mandatory committees to assist it in fulfilling its role of monitoring and oversight.

Audit Board Committee

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

Mr. KABAKA François Régis	Chairperson	Independent Director
Mr. KAZUNGU Jean Bosco	Member	Independent Director
Mr. NDAYISENGA Davis	Member	Independent Director

Risk Management Board Committee

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

Mr. KAZUNGU Jean Bosco	Chairperson	Independent Director
Mrs. KAMUGWIZA Phoebé	Member	Non-Independent Director
Mr. NDAYISENGA Davis	Member	Independent Director

Management Committee

The Management Committee meets twice every month and comprises the executive and senior staff. Its key objective is to monitor the implementation of overall strategy of the company. The committee reviews company's performance of all departments in the two week and particularly ensures that RADIANT YACU LTD financial results are maintained. The table below contains the members of the Management/Executive Committee.

Names of management team	Position
TUHAIRWE K. Ovia	Chief Executive Officer
NZANANA Emmanuel	Operations Manager
SEBUHIJNA Jean Pierre	Finance & Accounting Manager
GAKURU James	Sales & Marketing Manager

MANAGEMENT STAFF PROFILES

The day-today running of RADIANT YACU Ltd 's business is delegated to the Chief Executive Officer and Management. The primary responsibility Management is to monitor the implementation of overall strategy of the company as approved by the Board. The Management holds its meeting twice a month to assess the company's performance and monitor the progress in achieving the Company's objectives in terms of both financial and non-financial targets.

Below are the profiles of Management staff during the financial year 2022.



Ovia K. TUHAIRWE
Chief Executive Officer

Ovia has been in Insurance Industry for 14 years and particularly in Micro-insurance space for 7 years. She worked with SORAS General Insurance as Head of Marketing for 6 years and RADIANT Insurance Company since its inception in 2013 as a Commercial Director and later as a Deputy Managing Director. Ovia holds a master's degree in business administration from Kampala International University and a bachelor's degree in education from Makerere University, Kampala, Uganda. She completed a Micro-insurance Master Leadership Program in the Philippines and she's now a Micro-insurance Master in the Country. She's an ILO Certified Impact Insurance Trainer and has also completed several trainings in insurance Product design & Development, Human Center Design & Customer Centricity from different Countries. Together with other stake holders, she's playing a significant role in the design & implementation of Rwanda National Agriculture Scheme under Livestock & Crop insurance.



MR. Emmanuel NZANANA
OPERATIONS MANAGER

Emmanuel NZANANA is the Operations Manager since December 2020. Prior to that, he occupied various positions (Sales Manager, corporate Underwriter, and claims Manager) in SANLAM Vie Plc since 2012. He holds a bachelor's degree in applied Statistics, University of Rwanda. Currently is pursuing Professional course in Insurance at Kenya College of Insurance.



Mr. James GAKURU
Sales and Marketing Manager

James holds a master's degree in development studies from Kigali Independent University, with 10 years of experience in Local Government, 3 years of experience in General Insurance as Deputy head of marketing department at Radiant Insurance Company. James has got various trainings in leading for Results with Values and Ethics offered by Nu Quest from Singapore and in Micro insurance such as Human Centered Design offered by Board of Innovation supported by Micro-insurance Master, Market Research for Emerging Customers by Impact Insurance of the International Labor Organization (ILO).



SEBUHINJA JEAN PIERRE
FINANCE & ACCOUNTING MANAGER

SEBUHINJA Jean Pierre is the Finance Manager from September 2020. Prior to that, he occupied various positions as a Finance Officer and later as a head of Section in Finance department in RADIANT insurance company since 2013. He holds a bachelor's degree in accounting from the University of Rwanda.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has a collective responsibility for the Company's internal controls and for reviewing their effectiveness. RADIANT YACU Ltd has effective risk management systems and internal controls that include risk management, internal audit, compliance, and actuarial functions.

MANAGEMENT OF FINANCIAL RISK AND INSURANCE RISK

While the Board is responsible for monitoring the company's risk management policies, the senior Management is responsible for implementing strategies in a manner that limits risks associated with each strategy and shall ensure compliance with laws and regulations on both a long-term and day-to-day basis.

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

- Market risk
- Insurance risk
- Interest rate risk
- Liquidity risk
-

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

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

(a) Insurance risk management

The Company's activities expose it to a variety of financial risks, including its portfolio of risks covered and perils insured. The Company's overall risk management focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. The Company has policies in place to ensure that insurance is sold to customers with an appropriate claim and credit history.

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

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of insurance, risk is random and therefore unpredictable. Risks must be evitable. Inevitable makes it certain hence not insurable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and payments

exceed the carrying amount of the insurance liabilities. This could occur if the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location, the nature of industry covered and likelihood of a catastrophe.

(b) 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.

(c) Interest rate risk

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

(d) Liquidity risk

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

Internal Audit function

The Board of RADIANT YACU Ltd has established an independent and effective internal audit function commensurate to the nature and scope of our business. It is an independent control and advisory function that objectively and independently provides reasonable assurance to both the Board of Directors and Management that the company is managed in a sound and efficient manner.

During its missions, the internal Audit carries out examinations, analyses, and assessments for all the processes, functions and operations of the company and gives opinions and recommendations aimed at improving irregularities, anomalies and malfunctions observed so that the company can achieve its objectives.

The head of the internal Audit reports to the Board (Board Audit Committee). During the year 2021, internal audit reports have been submitted to the Board on a quarterly basis, and a copy sent to the Regulator as required.

Compliance function

The Board of RADIANT YACU Ltd has established an independent and effective Compliance Function to assist in meeting its legal and regulatory obligations and promote a culture of compliance and integrity.

The Compliance Officer reports to the Board. He continually identifies, assesses, and monitors compliance with the policies and procedures set by the Company as well as compliance with all applicable laws, regulations, guidelines, codes of business conduct and standards of good practice since failure to comply will attract sanctions, penalties, financial losses, and even the loss of reputation.

During the year 2021, Compliance reports have been submitted to the Board on a quarterly basis and a copy sent to the Regulator as required.

Actuarial function

The board of RADIANT YACU Ltd has appointed ZAMARA Actuaries, Administrators and Consultants Ltd as independent Actuary to provide advice regarding technical provisions, premium and pricing activities, and compliance with related regulatory requirements. The latter has been approved by the Central Bank. The Actuary is responsible for review and certification of the company's insurance contract liabilities on a quarterly and annual basis to ensure that technical provisions made by the company are sufficient and adequate to covers insurance contracts and meet other financial obligations as and when they fall due.

External auditors

Pursuant to the regulatory requirement to appoint an external Auditor accredited by the Central Bank, RADIANT YACU Ltd has selected and appointed GPO Partners Rwanda Ltd as external Auditors.

Thus, the financial statements of RADIANT YACU Ltd of the year 2022 comprising the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year

then ended, and the notes to the financial statements, including a summary of significant accounting policies have been audited by our external Auditors GPO Partners Rwanda Ltd.

In his audit opinion he stated that they give a true and fair view of the company's affairs. A full report thereof has been published in IMVAHO NSHYA dated 31st March 2022 and can be accessed via this link <https://imvahonshya.co.rw/?p=39779>. The same information is also available on RADIANT YACU Ltd Website www.radiantyacu.rw.

STAFF TRAINING AND DEVELOPMENT

Majority of RADIANT YACU Ltd employees have relevant experience in their respective areas of work, and they are results oriented and committed to providing quality service to our esteemed clients. Moreover, RADIANT YACU Ltd also uses on-the job training, job rotation, coaching and formal trainings in order to be able to address performance gaps as soon as they are identified.

In that respect, some members of staff are pursuing professional courses in Insurance, actuarial sciences, Accounting and Finance through international renowned institutes.

In case of filling any vacant position, RADIANT YACU Ltd gives priority to suitable candidates within the organisation before looking for the required expertise outside the company, and this motivates employees whose turnover is minimal.

OVERALL OPERATING ENVIRONMENT IN 2022

Economic environment

According to BNR annual report 2021–2022, Rwanda's economy grew at 8.9 percent against- the 4.4 percent recorded in the previous financial year. This is because public health restrictions in response to the pandemic were relaxed due to a countrywide vaccination campaign that allowed businesses to re-open. Over the past year, the global environment has become more complex and challenging. With the impacts of Covid-19 still lingering, and the ongoing Russia-Ukraine war, global growth is projected to experience a sharper-than expected decline, and a continued rise in inflation. On the financial sector front, the Rwandan financial sector remained stable and sound, with capital adequacy and liquidity remaining above minimum prudential requirements. The sector continued to grow, with total assets increasing by 17.5 percent to FRW 8,145 billion in June 2022 from FRW 6,933 billion in June 2021. This growth was mainly attributed to an increase in deposits of lending institutions, capital, and more contributions of pension and investment income.

Insurance sector

Insurance sector was composed of 13 private insurance companies of which 9 provide general insurance products, 3 provide life insurance, 1 Dedicated microinsurance company (RADIANT YACU Ltd) a subsidiary of RADIANT Insurance Company, 1 Captive insurance company, 1 Health maintenance organization (Eden Care) and 2 public institutions providing health insurance (RSSB and MMI).

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The balance sheet of the insurance sector continued to expand. Total assets of the insurance sector grew by 17 percent as at end June 2022 compared to the growth of 16 percent registered in June 2021. This growth reflected the increased investment income and capital increment.

Claims in private insurance increased in the period under review. As at June 2022, private insurers recorded the growth of the claims in value by 16 percent to Frw 30 billion. The growth of claims in motor was partially associated with an increase in spare parts price and increased labor cost all associated with increased inflation. Also, the number of road users involved in the accident increased in the period under review which also explains the increase of claims in Motor.

Pension Sector

The growth of assets of the public pension fund moderated with 6 percent growth. Total assets of the public pension fund increased by Frw 72 billion (from Frw 1,171 billion in June of 2021 to Frw 1,243 billion in June 2022). The main drivers of growth of assets were the increased market value of plots and acquisition of new plots by Pension fund, and members' contributions. During the period under review, the value of offshore investments (quoted) grew from Frw30 billion to Frw 47 billion reflecting the increase of Frw 17 billion. The assets of Long-Term Saving Scheme (LTSS) Ejo Heza continued to grow in the period under-review. As at end June 2022, total assets of Long-Term Saving Scheme (LTSS) Ejo Heza increased to Frw 32 billion from Frw 17 billion in June 2021. A large portion of these assets are investment in Government securities (88 percent). The growth of assets of LTSS Ejo Heza is linked to the increased number of subscribers' and their contribution attributable to mobilization campaigns. Total contributions received increased to Frw 9 billion in June 2022 from Frw 8 billion in June 2021. Likewise, the assets of voluntary pension schemes continued to increase. Private pension schemes remained 12 and altogether increased their assets by 27 percent from Frw 63.7 billion in June 2021 to Frw81.1 billion as at June 2022. The growth of the assets is linked to the growing members' contributions and investment income. Voluntary pension schemes continued to invest heavily in fixed income securities (at tune of 82 percent) with large share in government securities, followed by investment in term deposits with 9 percent.

Challenges in Microinsurance business

Some limitations in serving the entire microinsurance market. Low-income market is homogenous in nature, especially groups and cooperatives that share similarities and facing the same risks, demarcation in serving this segment is hindering the principal of Inclusiveness in Microinsurance.

Consumer Awareness in Microinsurance segment and business environment are still big challenges in the Market that is under development.

Lack of understanding of insurance by customers, the very limited financial capacity of individuals targeted by microinsurance, very high administrative costs for serving this segment and high costs of information technology relative to microinsurance.

RADIANT YACU Ltd 'S FINANCIAL PERFORMANCE IN 2022 (Frw 000)

During the financial year 2022, RADIANT YACU Ltd has had a relatively good financial performance in terms of growth and profitability compared to the previous year.

As at 31st December 2022, gross written premiums were FRW 3,529,642 that is 228 % of gross premiums written FRW 1,547,983 as at 31 December 2021.

THE PERFORMANCE IS PRESENTED IN THE FOLLOWING FINANCIAL STATEMENTS FOR FY 2022.



**Audited Financial Statements
of Radiant Yacu Ltd**

**For the year ended
31 December 2022**

**A. STATEMENT OF COMPREHENSIVE INCOME AS AT
31 DECEMBER 2022**

Figures in RWF"000"	2022	2021
Gross written premiums (1)	3,529,642	1,547,983
Change in unearned premium (2)	(733,292)	(493,618)
Gross earned premium	2,796,350	1,054,365
Less premium ceded to reinsurers (3)	(1,146,835)	(407,665)
Net premium revenue	1,649,515	646,700
Add: commission earned		-
less: commission paid		-
Net Earned premium Revenue	1,649,515	646,700
Gross claims paid (4)	979,256	184,929
Less: Amount recoverable from re-insurers (5)	(555,087)	(125,464)
Change in outstanding claims (6)	171,685	169,664
Change in Reserve for Incurred But Not Reported claims (IBNR)		-
Net insurance claims incurred	595,854	229,129
Commission expenses (7)	(234,173)	(124,098)
Commission Income (8)	275,580	-
Management expenses (9)	(636,166)	(297,752)
Net Underwriting profit/loss	458,902	(4,279)
Investment income (10)	165,746	37,177
Other operating income (11)	7,411	60,666
Interest income		-
Other income		-
Total operating income	173,157	97,843
Operating expenses other than management		
Interest expenses/finance costs	(8,785)	
Other expenses		
Profit before income tax	623,274	93,564
Income tax expense/(charge)	(190,926)	(9,548)
Net Profit or loss for the year	432,348	84,016
Other comprehensive income(Specify)		-
Total Comprehensive income for the year	432,348	84,016

**B. STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2022**

Figures in RWF"000"	2022	2021
ASSETS		
Non -Current Assets:		
Property and equipment (12)	32,002	40,422
Intangible assets	1,331	2,661
Investment in properties		-
Investment in associates		
Held to maturity investment	1,777,000	700,000
Investment in quoted shares		
Financial assets- at amortized cost	131,292	185,619
Financial assets- at FVPL		
Right of use asset	31,304	
Total non- current assets	1,972,929	928,702
Current Assets:		
Premium Receivables	367,694	128,671
Reinsurance Receivables (13)	1,156,720	416,157
Coinsurance Receivables (14)	279,085	
Reinsurance share in insurance contracts liabilities (15)	30,031	
Other receivables (16)	104,183	70,690
Deferred tax assets	16,667	8,651
Deferred acquisition costs		-
Income tax recoverable		-
Financial assets - Term deposits	306,000	200,000
Cash and bank balances (17)	686,042	256,453
Total current assets	2,946,422	1,080,622
Total assets	4,919,351	2,009,324
EQUITY AND LIABILITIES		
Equity		
Share capital	600,000	581,750
Share holders'funds		18,250
Property revaluation reserve		
Fair value reserve		
Other reserves	17,938	(66,079)
Profit/loss for the year	432,348	84,016
Retained earnings/Accumulated losses		-
Total equity	1,050,286	617,937
Liabilities		
Technical provisions:		
Outstanding claims / claims payable	758,226	234,226
Provision for Incurred But Not Reported claims (IBNR) xxx xxx	114,031	-
Provision for unearned premium	1,640,604	690,352
Unexpired Risks Reserve (URR)		-
Total technical provision	2,512,861	924,578
Other liabilities:		
Reinsurance payable (18)	590,622	411,222
Coinsurance payable (19)	490,979	
Commission payable		-
Lease liability	34,231	-
Due to related parties		
Deferred income tax payable		-
Current income tax payable	164999	-
Other payables and accruals (20)	75373	55,587
Total liabilities	1,356,204	466,809
Total equity and liabilities	4,919,351	2,009,324

Chief Executive Officer
Date: 12th April 2023

Chairman of the Board of Directors
Date: 12th April 2023



RADIANT YACU LTD

MICRO INSURANCE COMPANY

Share Capital 600,000,000 Rwf

Headquarter: Kn 2 Av. Chic Building | Tin: 108505784

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P.o. Box 1861 Kigali / Rwanda

C. STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

Figures in RWF"000"

	Share capital	Revaluation reserve	Contribution pending allotment	Retained earnings	Fair value reserve	Total Equity
As at 1 January 2021	400,000			(66,079)	-	333,921
Paid up capital	181,750	-	-			181,750
Unpaid Up Capital	18,250			84,016	-	102,266
Total comprehensive income	600,000	-	-	17,937	-	617,937
As at 31 December 2021	600,000	-	-	17,937	-	617,937
As at 1 January 2022	600,000			17,938		617,938
Profit for the year				432,348		432,348
As at 31 December 2022	600,000	-	-	450,286	-	1,050,286

Chief Executive Officer

Date: 12th April 2023



Chairman of the Board of Directors

Date: 12th April 2023



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D. STATEMENT OF CASH FLOWS AS AT DECEMBER 2022

31

Figures in RWF"000"	2022	2021
Cash flow rom operating activities		
Profit before tax	623,274	93,564
Adjustment for;		
Depreciation property and equipment	99,442	75,194
Finance Cost	8,785	
Deferred tax movement		(8,651)
Income tax expense	(48,101)	(9,548)
Investment income		-
Change in working capital		
Increase/ Decrease in outstanding premium	(239,023)	(114,379)
Increase/ Decrease in other receivables	(37,534)	13,274
Increase/decrease in deered acquisition costs	(30,031)	974
Decrease/ increase in other payable		(150,318)
Increase in receivables arising from insurance arrangements	(811,538)	(388,512)
Payables arising out of co-insurance arrangement	(208,111)	73,133
Increase in insurance contracts liability	1,588,284	886,383
Increase/{decrease} in payable arising from reinsurance arra	417,846	317,390
Increase/{decrease} in payable arising from coinsurance arra	252,533	
Other payables	37,984	
Cash generated from operating activities	1,653,810	788,504
Investing activities		
Purchase of property and equipments	(4,060)	(2,640)
Purchase of intangible assets		-
Proceeds on maturity of treasury bonds	(1,077,000)	(700,000)
Receipts upon term deposits maturities	200,000	
Proceeds on maturity short term deposits	(306,000)	(200,000)
Net cash used generated from/{utilised in} investing	(1,187,060)	(902,640)

Figures in RWF"000"	2022	2021
financing activities		
Grant received		-
Lease payments	(36,423)	
Share holders'funds		200,000
Interests on Reinsurance	(738)	-
Cash flows {utilised in}/generated from financing a	(37,161)	200,000
Increase in cash and cash equivalents		85,865
Cash and cash equivalents at January	256,453	170,588
Cash and cash equivalents as at December :	686,042	256,453

Chief Executive Officer

Date: 12th April 2023



Chairman of the Board of Directors

Date: 12th April 2023



E. DISCLOSURES AS AT 31 DECEMBER 2022

Figures in RWF'000"		
ITEM	Amount/Ratio	
	2022	2021
A. Solvency coverage		
a. Solvency required	300,000	300,000
b. Admitted assets	4,532,326	1,827,086
c. Admitted liabilities	4,086,204	1,483,845
d. Solvency available e.	446,122	343,241
e. Solvency surplus (gap)	43,241	43,241
f. Solvency coverage ratio	149%	114%
B. Capital Strength		
a. TAC (Total Available Capital)	446,122	343,241
b. RCR (Risk Based Capital Required)	300,000	300,000
c. CAR (Capital Adequacy ratio)	149%	114%
C. Earnings risk		
Claims Ratio	63%	46%
Management Expenses Ratio	34%	33%
Underwriting expenses ratio	1%	14%
Combined Ratio	98%	93%
D. INVESTMENT EXPOSURE		
a. Investment Exposure (s)/Government bonds	1,777,000	700,000
b. Earning assets ratio	36%	35%
c. Investment property ratio	0%	0%
d. Equities assets ratio	0%	0%
E. Liquidity Risk		
a. Liquidity Ratio (LCR)	83%	83%
b. Liquidity stress test ratio		
F. Exposures to related parties		
a. Loans to Directors and senior management	None	None
b. Loans to employees/ staff	None	None
c. Loans to subsidiaries and affiliates	None	None
d. Loans to shareholders/ holding company	None	None
e. Investments in related parties	None	None
G. Operational Risk		
a. Number and types of frauds and their corresponding amount		None
H. Business composition		
a. Number of policyholders per branch		
Livestock Microinsurance	18,904	11,699
Personal Accident and Group Personal accident Microoi	992	492
Student liability Microinsurance	223	219
Credit Life Microinsurance	11,798	7,971
TURIKUMWE Microinsurance	68,536	19,640
Crop Microinsurance	363	

Figures in RWF'000"		
ITEM	Amount/Ratio	
	2022	2021
b. Number of policies in force per branch		
Livestock Microinsurance	25,777	19,781
Personal Accident and Group Personal accident Microinsur	1,123	535
Student liability Microinsurance	317	320
Credit Life Microinsurance	14,484	8,868
TURIKUMWE Microinsurance	86,248	41,825
Crop Microinsurance	410	
I. Management and Board Composition		
a. Number of Board members (Independent and non-independent)		
Independent	4	4
non-independent	1	1
b. Number of Board committees	2	2
c. Number of senior management staff by gender		
male	3	3
female	1	1
J. Staff		
a. Total Number of non-managerial Staff by gender		
male	10	3
female	8	3
K. Insurance Intermediaries		
a. Number of insurance agents	158	47
b. Number of loss adjusters/ assessors	3	2
L. Branches		
a. Number of Branches by Province including Kigali City		
Kigali City	0	0
North	0	0
East	0	0
South	0	0
Weast	0	0


Chief Executive Officer
Date: 12th April 2023




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F. PRODUCT PERFORMANCE ACCOUNT AS AT 31 DECEMBER 2022

Figures in RWF"000"

Product type	Gross premium written (1)	Ceded premium (2)	Net premium written (3)	Change in unearned premium (4)	Net earned premium (5) (3-4)	Net commission income or expenses (6)	Net claims incurred (7)	Management expense (8)	Technical profit/loss (9) (5-6-7-8)
TURIKUMWE Microinsuranc	1,717,139	-	1,717,139	612,413	1,104,726	35,921	148,811	309,489	610,505
Livestock Microinsurance	659,274	560,955	98,319	22,184	76,135	(40,428)	277,674	118,824	(279,936)
Crop Microinsurance	682,384	569,655	112,729	38,227	74,502	(105,299)	(12,830)	122,990	69,642
Credit Life Microinsurance	248,958	16,225	232,733	30,817	201,916	38,330	145,640	44,871	(26,925)
Personal Accident and Gri	160,430		160,430	18,385	142,045	22,027	32,689	28,915	58,414
Student Liability Microins	61,457		61,457	11,267	50,190	8,042	3,871	11,076	27,201
TOTAL	3,529,642	1,146,835	2,382,807	733,293	1,649,514	(41,407)	595,854	636,165	458,902


Chief Executive Officer

Date: 12th April 2023

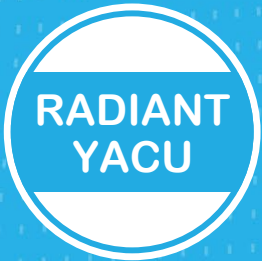



Chairman of the Board of Directors

Date: 12th April 2023

N.B:

The above financial statements and other disclosures are also available on our website <https://www.radiantyacu.rw> and can be accessed at our Head Office located in CHIC Building, KN 2 AV, Kigali - Rwanda.



MICROINSURANCE COMPANY