



RADIANT YACU

Microinsurance Company

INTEGRATED REPORT 2023



RADIANT YACU LTD

Microinsurance Company

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COMPANY OVERVIEW

Establishment and Licensing

Radiant Yacu Ltd is the first and only dedicated microinsurance company in Rwanda, motivated by the mission to help Rwandans secure better lives by mitigating the impact of financial losses from insurable risks. Registered on 15 January 2019, it was licensed by the National Bank of Rwanda (BNR) on 10 June 2020 to conduct microinsurance business. The company operates from its head office located in the CHIC Building, Nyarugenge District, Kigali City, with a share capital of **FRW 1,000,000,000**, fully paid up by local investors.

As the leading microinsurance service provider, Radiant Yacu Ltd delivers inclusive insurance services to underserved and unserved populations through dynamic and multiple distribution channels.

Financial Performance in 2023

Radiant Yacu Ltd achieved significant growth and profitability in 2023 compared to the previous year. Gross written premiums, net insurance claims incurred, and management expenses increased. Investment income was mainly earned from investments in government securities and term deposits in commercial banks. Profit before tax and net profit after tax also increased substantially.

Item	2023 (Frw '000)	2022 (Frw '000)
Gross written premiums	4,611,251	3,529,642
Net insurance revenue	3,344,862	1,649,515
Net insurance claims incurred	(608,881)	(595,854)
Management expenses	771,695	636,166
Underwriting profit	1,859,732	458,902
Profit before income tax	2,183,236	623,274
Investment Income	302,352	165,746
Net profit after tax	1,526,215	432,348
Total assets	7,432,670	4,919,351
Solvency ratio	266%	119%

CORPORATE INFORMATION

Vision:

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

Mission:

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

Values:

- Excellence
- Integrity
- Respect
- Teamwork
- Customer centricity
-

Strategic Goals and Objectives

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

Motto:



**A promise is
a promise!**

This motto encapsulates our dedication to fulfilling our commitments to our clients and stakeholders with unwavering integrity and reliability.

Our Goal

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

Our Products

RADIANT YACU Ltd offers a range of microinsurance products, including:

- Turikumwe Microinsurance product
- Livestock Microinsurance product
- Crop Microinsurance product
- Credit life Microinsurance Product
- Personal and group Personal Microinsurance Product
- Students Microinsurance product

Our clientele

Our clientele includes smallholder farmers, private and public schools, low-income borrowers, low-wage factory workers, microentrepreneurs, and motorbike riders across Rwanda.



MESSAGE FROM THE CHAIRMAN OF THE BOARD



Yussuf MUGIRANEZA
Chairman of the Board of Directors

Dear Shareholders,

I am pleased to present to you the integrated report of Radiant Yacu Ltd for the year ended 31st December 2023. As provided by the regulation N° 30/2019 of 16/12/2019 on the 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

Rwanda's economy demonstrated impressive resilience in 2023, growing by 8.2 percent, significantly exceeding the initial projection of 6.2 percent. This robust growth was primarily driven by the industry and services sectors, despite challenges in the agriculture sector due to unfavorable weather conditions.

Inflation in Rwanda saw a notable decline, dropping from 20.7 percent in January to 6.4 percent in December 2023, further easing to 4.9 percent by February 2024. The financial sector maintained its stability and growth, with total assets increasing by 20 percent to FRW 10,687 billion.

Insurance Sector Overview

The insurance sector in Rwanda has demonstrated remarkable resilience and steady growth over the past year. The industry's asset base expanded by 16.9 percent, reaching FRW 963.2 billion in December 2023, up from FRW 824 billion in December 2022. This growth underscores the sector's robustness and its critical role in the national economy.

The insurance sector remains a crucial source of liquidity for financial institutions. As of December 2023, insurers had total placements in financial institutions amounting to FRW 372.8 billion, which is 38.7 percent of the total assets of the insurance sector and 7.3 percent of total customer deposits in financial institutions. This increase in placements was driven by higher interest rates and a strategic preference for secure investment avenues.

General insurance (non-life) business, classified as short-term, continues to be the largest contributor to private insurance premiums. As of December 2023, it accounted for 78.8 percent of private insurers' premiums and 46.8 percent of the sector's total Gross Written Premiums (GWP).

Significantly, the total number of insured individuals increased by 30% during the period under review.

Notably, there was substantial growth in the number of microinsurance policies, which surged by 63%, from 125,675 in December 2022 to 204,818 in December 2023. This impressive growth underscores the vital role Micro-Insurance companies play in providing inclusive insurance services to the underserved and unserved population.

Company Performance Review

In the financial year 2023, Radiant Yacu Ltd demonstrated strong financial performance in terms of growth and profitability compared to the previous year. As of 31st December 2023, gross written premiums were FRW 4,611,251,000, representing 30% of the gross premiums written in 2022. As a result, Radiant Yacu Ltd achieved a profit after tax of FRW 1,526,215,000, a significant increase from FRW 432,348,000 in 2022.

Acknowledgement

On behalf of the Board of Directors, I would like to thank everyone who contributed to this year's strong success. I extend my gratitude to my fellow Board Directors for their leadership, passion, and dedication. I appreciate Radiant Yacu Ltd's shareholders for their sustained faith and support, which has contributed to the smooth operation of the company. I also thank the Management and the entire staff of Radiant Yacu Ltd for their dedication and hard work.

We reaffirm our commitment to improving our performance to meet the company's objectives and goals. To sustain Radiant Yacu Ltd's growth and profitability, we will continue to foster good relationships with customers by providing quality and innovative insurance services.

Finally, I express my gratitude to our valued customers and business partners for their trust and choosing Radiant Yacu Ltd as their preferred Microinsurance partner.

Yussuf MUGIRANEZA
Chairman of the Board of Directors

MESSAGE FROM THE CEO



Ovia K. TUHAIRWE
Chief Executive Officer

Dear Shareholders,

I am pleased to present Radiant Yacu Ltd's annual integrated report for the fiscal year 2023. Throughout the year, we have maintained our commitment to excellence, resulting in commendable growth and profitability.

During the year under review, we remained committed to good, transparent, and compliant corporate governance. Our dedication to serving the low-income segments with suitable solutions has enabled us to achieve excellent results.

Financial performance

We recorded strong financial performance in 2023 both in terms of growth and profitability. As of 31st December 2023, gross written premiums were FRW 4,611,251,000, a 30% increase from the previous year. As a result,

Radiant Yacu Ltd achieved a profit before tax of FRW 2,183,236,000, compared to FRW 623,274,000 in 2022. The Net Profit after tax was FRW 1,526,215,000 compared to FRW 432,348,000 in 2022.

Human resource development

At Radiant Yacu Ltd, our success is driven by a strong team of dedicated employees who possess the necessary qualifications and extensive experience to meet the diverse needs of our esteemed clients. Our workforce is the backbone of our company, and their commitment to excellence ensures that we consistently deliver high-quality services and innovative insurance

solutions to our clients.

To maintain and enhance our team's capabilities, we place a high priority on continuous professional development. We organize on-the-job training sessions, job rotations, coaching, and formal training programs. These initiatives are designed to address performance gaps as soon as they are identified, ensuring that our employees remain at the forefront of industry knowledge and best practices. This proactive approach not only fosters individual growth but also strengthens our collective ability to respond to the evolving demands of the microinsurance market.

Together, we will continue to enhance our service delivery, expand our reach, and contribute positively to the financial resilience and well-being of the communities we serve.

Outlook for 2024

We will continue to leverage modern information and communication technologies to improve our strategies and reach our customers. We plan to launch a number of micro-insurance products for low-income earners and those with irregular monthly incomes, allowing them to manage and transform their income flows into a dependable resource for future development plans.

Gratitude

I extend my gratitude to our valued customers, shareholders, Board of Directors, senior management, and staff for their roles in achieving this year's results. With a dedicated team and supportive Board and Shareholders, we are confident in meeting the company's objectives and delivering high-quality services to our clients, upholding our motto: "A promise is a promise."

Thank you,

A stylized, handwritten signature in blue ink, appearing to read 'Ovia'.

Ovia K. TUHAIRWE
Chief Executive Officer

CORPORATE GOVERNANCE

The structure of Radiant Yacu's governance comprises the shareholders, the Board of Directors, Management, and 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, providing overall strategy and direction for the Micro insurer, and ensuring effective implementation of strategies and policies by management.

The Board entrusts the day-to-day running of activities to the Chief Executive Officer, assisted by the Executive Committee or senior management appointed by the Board. Members of the Board and senior management are held accountable and responsible for their actions. In conducting business, Radiant Yacu Ltd ensures compliance with all applicable rules, regulations, and laws in Rwanda. Decision-making powers are exercised with integrity, responsibility, accountability, and transparency.

Shareholders

Shareholders of Radiant Yacu Ltd have the duty to protect and exercise their authority through general assemblies. They ensure that the appointed Directors are credible persons with the necessary qualifications, knowledge, and experience to lead the company. Recruitment is based on merit, related skills, and competencies without discrimination. As of 31 December 2023, the shareholders of Radiant Yacu Ltd are listed as follows:



Annual General Meeting

During the financial year 2023, shareholders convened for the Ordinary General Meeting on April 24, 2023. The meeting marked a significant event for corporate governance, as shareholders meticulously scrutinized and subsequently approved reports presented by the Board of Directors and the External Auditor, concerning the financial year ending on December 31, 2022.

Shareholders deliberated on and provided their endorsement for the Financial Statements, making pivotal decisions regarding the allocation of results for the 2022 financial year. Additionally, the Ordinary General Meeting fulfilled its duty by appointing the External Auditor for the forthcoming financial year, 2023, thereby ensuring the continuity of robust oversight and accountability within the company. Shareholders also appointed a new member of board of directors.

Board of Directors

Board members are appointed by shareholders for a term of three years, renewable twice, subject to compliance with the code of ethics and business conduct. The Board of Radiant Yacu Ltd comprises 5 Directors with a mix of relevant knowledge, skills, and experience. The Chairperson of the Board ensures the proper functioning of the Board in accordance with the Board Charter, providing effective leadership.

The Board is responsible for setting strategic objectives, clear performance goals, and overseeing the implementation of approved strategies, policies, and procedures by management. It also monitors and controls the operational and financial performance of the company, with day-to-day management delegated to the CEO.

Our board Directors who served during the year 2023

Director's Name	Category	Date of appointment
Mr. Yussouf MUGIRANEZA	Non-Executive Director	December 2018 (Chairperson from January 2019)
Ms. Phoebe KAMUGWIZA	Non-Executive Director	January 2019
Mr. Jean Bosco KAZUNGU	Non-Executive Director	January 2019
Mr. Davis NDAYISENGA	Non-Executive Director	January 2019
Ms. Jeanne Francoise UWAMAHORO	Non-Executive Director	November 2023

Board Committees

To assist in its oversight role, the Board has established three mandatory committees: the Audit Board Committee, Underwriting and Claims Strategy Board Committee, and Risk Management Board Committee. These committees are responsible for reviewing financial reporting, underwriting policies, claims strategies, and risk management practices.

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:

Ms. Jeanne Francoise UWAMAHORO	Chairperson	Independent Director
Ms. Phoebe KAMUGWIZA	Member	Independent Director
Mr. Davis NDAYISENGA	Member	Independent Director

Board Risk Management 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. Davis NDAYISENGA	Chairperson	Independent Director
Ms. Jeanne Francoise UWAMAHORO	Member	Independent Director

Attendance and Meeting Highlights

Directors are expected to attend at least 75% of board meetings per financial year and refrain from missing two consecutive regular meetings. The Board convenes at least quarterly to discuss key matters. In 2023, meetings covered topics such as reinsurance treaties, financial statements approval, budget forecasts, and audit plan approval. The Board of Directors held several meetings throughout the year:

March 31, 2023:

The Board examined and approved the minutes of the previous meeting held on December 16, 2022. Additionally, they discussed the draft report for the Ordinary General Meeting of shareholders for the year 2022 and reviewed and approved the financial accounts up to December 31, 2022. The report from the external auditor for the year 2022 was presented and discussed, along with the draft agenda and resolutions for the shareholders' meeting. Furthermore, the Board reviewed and approved reinsurance treaties for the year 2023 and considered the proposal for the appointment of the external auditor for the following year.

June 30, 2023:

The Board convened to approve the minutes of the previous meeting held on March 31, 2022. They reviewed the reports from the Audit Committee and the Risk Management Committee and assessed the activity report as of March 31, 2023. Financial accounts up to March 31, 2023, were examined and approved, and the composition of the Board's committees was determined.

August 18, 2023:

The Board approved the minutes of the previous meeting held on June 30, 2023. They reviewed reports from the Board's committees, including the Audit Committee and the Risk Management Committee,

and assessed the activity report as of June 30, 2023. Financial accounts up to June 30, 2023, were examined and approved, and discussions on the business market were conducted.

November 30, 2023:

The Board approved the minutes of the previous meeting held on August 18, 2023. They reviewed reports from the Board's committees, including the Audit Committee and the Risk Management Committee, and assessed the activity report as of September 30, 2023. Financial accounts up to September 30, 2023, were examined and approved, and the Board reviewed and approved the strategic plan for the period from 2023 to 2028. Additionally, the Board approved the risk underwriting and claims management manuals.

December 8, 2023:

The Board approved the minutes of the previous meeting held on November 30, 2023. They discussed and finalized the calendar of statutory meetings for the year 2024 and the internal audit program for the same period. The fiscal year 2024 budget forecast was examined and approved.

Management

The Management Committee, led by the Chief Executive Officer, oversees the day-to-day operations and ensures the alignment of activities with the company's strategic objectives. 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 on a bi-weekly basis 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.

The following individuals comprise 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



Ovia K. TUHAIRWE
Chief Executive Officer

Ovia has been in Insurance Industry for 15 years and particularly in Micro-insurance space for 8 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 went through 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, 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). He aims at educating, marketing and promoting the development and delivery of effective and affordable Insurance services to the unserved and the underserved low-income earners in Rwanda.



SEBUHINJA JEAN PIERRE
FINANCE & ACCOUNTING MANAGER

SEBUHINJA Jean Pierre is the Finance Manager from September 2020. Prior to that, he occupied various positions (Finance Officer, head of Section in Finance) in RADIANT INSURANCE COMPANY since 2013. He holds a bachelor's degree in accounting, University of Rwanda.

Our Products

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.

Turikumwe Life Product

- Hospital Cash
- Accidental Natural Death
- Death

Livestock Microinsurance product

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.

Livestock product:



Milking
Cattle &
Heifers



Piggery



Poultry

Crop Microinsurance product

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.

Crop product:



Rice



Irish Potatoes



French Beans



Beans



Soya Beans



Cassava



Chia Seeds



Coffee



Tea



Chili



Maize



Credit life Microinsurance Product

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

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



Students Microinsurance product

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

INDOTO–Microsaving product

Indoto–Microsaving product is a form of voluntary saving that offers flexibility in premium deposits aligned with irregular and unpredictable income flows. The features of the product accommodate such irregular deposits and capitalize them daily. Both the transactions deposits and withdraws are easily made on the phone using USSD code. In addition, flexible and rapid response to withdraw and borrow in a form of partial surrenders are the essential features accommodated by the scheme to respond to the unpredictable crisis or opportunities as well as the predictable needs that include project plans towards life improvement.

RADIANT YACU
RADIANT YACU LTD
Microinsurance Company

INDOTO
IZIGAMIRE
NA RADIANT YACU LTD

NAWE WANGERA
K'UMUSHINGA W'INZOZI
Zawe Kanda

KANDA
***531#**

UKOMEZE WIZIGAMIRE

kubindi bisobanuro:
1810/ 0788316797

DUSURE KURI:

www.radiantyacu.rw

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management and Internal Controls

The Board of Directors holds collective responsibility for Radiant Yacu Ltd's internal controls and regularly reviews their effectiveness. The company boasts effective risk management systems and internal controls, encompassing 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 to develop 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 with 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 2023, 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 BDO Rwanda Ltd as external Auditors.

Thus, the financial statements of Radiant Yacu Ltd of the year 2023 comprising the statement of financial position as at 31 December 2023, 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 BDO 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 2023 and can be accessed via this link: <https://imvahonshya.co.rw/radiant-yacu-ltd-audited-financial-statements-for-the-year-ended-31december-2023/>

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 training 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 internationally renowned institutes.

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

Overall Operating Environment in 2023

Rwanda's economy experienced growth, and the financial sector remained stable. The insurance sector continued to expand, with motor and medical insurance dominating. Challenges in microinsurance business include limitations in serving the entire market and low consumer awareness.

AUDITED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023



RADIANT YACU LTD

MICRO INSURANCE COMPANY
Share capital 1,000,000,000 Rwf
Headquarters Kn 2 Av. Chic Building | TIN 108505784
Email: info@radiantyacu.rw | Website: www.radiantyacu.rw
P.O. Box 1861 Kigali/Rwanda



RADIANT YACU LTD

MICRO INSURANCE COMPANY
Share capital 1,000,000,000 Rwf
Headquarters Kn 2 Av. Chic Building | TIN 108505784
Email: info@radiantyacu.rw | Website: www.radiantyacu.rw
P.O. Box 1861 Kigali/Rwanda

Audited Financial Statements of Radiant Yacu Ltd

For the year ended
31 December 2023

A. STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2023

Figures in RWF'000"	31/12/2023	31/12/2022
Gross written premiums (1)	4,611,251	3,529,642
Change in unearned premium (2)	(127,250)	(733,292)
Gross earned premium	4,484,001	2,796,350
Less premium ceded to reinsurers (3)	(1,139,139)	(1,146,835)
Net premium revenue	3,344,862	1,649,515
Add: commission earned		
less: commission paid		
Net Earned premium Revenue	3,344,862	1,649,515
Gross claims paid (4)	(1,295,601)	979,256
Less: Amount recoverable from re-insurers (5)	(99,916)	(555,087)
Change in outstanding claims (6)	786,636	171,685
Change in Reserve for Incurred But Not Reported claims (IBNR)		
Net insurance claims incurred	(608,881)	595,854
Commission expenses (7)	(383,386)	(234,173)
Commission Income (8)	278,833	275,580
Management expenses (9)	(771,696)	(636,166)
Net Underwriting profit/loss	1,859,732	458,902
Investment income (10)	302,352	165,746
Other operating income (11)	25,585	7,411
Interest income		
Other income		
Total operating income	327,937	173,157
Operating expenses other than management		
Interest expenses/finance costs	(4,433)	(8,785)
Other expenses		
Profit before income tax	2,183,236	623,274
Income tax expense/(charge)	(657,021)	(190,926)
Net Profit or loss for the year	1,526,215	432,348
Other comprehensive income(Specify)		
Total Comprehensive income for the year	1,526,215	432,348

B. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Figures in RWF'000"	31/12/2023	31/12/2022
ASSETS		
Non -Current Assets:		
Property and equipment (12)	27,550	32,002
Intangible assets	76,964	132,623
Investment in properties		
Investment in associates		
Investment in unquoted shares	800,000	-
Held to maturity investment	2,927,000	1,777,000
Investment in quoted shares		
Financial assets- at amortized cost	-	-
Financial assets- at FVPL		
Right of use asset	-	31,304
Total non-current assets	3,831,514	1,972,929
Current Assets:		
Premium Receivables	693,164	367,694
Reinsurance Receivables (13)	656,134	1,156,720
Coinsurance Receivables (14)	351,645	279,085
Reinsurance share in insurance contracts	868,560	30,031
Other receivables (16)	200,882	104,183
Deferred tax assets	11,719	16,667
Current Assets:	2,092	
Deferred acquisition costs		
Income tax recoverable		
Financial assets - Term deposits	606,000	306,000
Cash and bank balances (17)	210,960	686,042
Total current assets	3,601,156	2,946,422
Total assets	7,432,670	4,919,351
EQUITY AND LIABILITIES		
Equity		
Share capital	1,000,000	600,000
Share holders'funds		
Property revaluation reserve		
Fair value reserve		
Other reserves	-	17,937
Profit/loss for the year	1,526,215	432,349
Retained earnings/Accumulated losses		
Total equity	2,526,215	1,050,286
Liabilities		
Technical provisions:		
Outstanding claims / claims payable	669,495	758,227
Provision for Incurred But Not Reported c	238,281	114,031
Provision for unearned premium	1,789,373	1,640,604
Unexpired Risks Reserve (URR)		
Total technical provision	2,697,149	2,512,862
Other liabilities:		
Reinsurance payable (18)	1,001,616	590,622
Coinsurance payable (19)	383,212	490,979
Commission payable		
Lease liability	-	34,231
Due to related parties		
Deferred income tax payable		
Current income tax payable	426,732	164,999
Other payables and accruals (20)	397,746	75,372
Total liabilities	2,209,306	1,356,203
Total equity and liabilities	7,432,670	4,919,351

C. STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

Figures in RWF'000"	Share capital	Revaluation reserve	Contribution pending allotment	Retained earnings	Fair value reserve	Total Equity
	Frw "000"			Frw "000"		Frw "000"
As at 1 January 2022	600,000			17,938		617,938
Profit for the year (31/12/2022)				432,348		432,348
As at 31 December 2022	600,000	-	-	450,286		1,050,286
As at 1 January 2023	600,000			450,286		1,050,286
Receipts of Share Capital	382,742			(450,286)		(67,544)
Addition	17,258			-		17,258
Profit for the year (31/12/2023)				1,526,215		1,526,215
As at 31 December 2023	1,000,000			1,526,215		2,526,215


Chief Executive Officer
Date: 15th April 2024




Chairman of the Board of Directors


Chief Executive Officer
Date: 15th April 2024




Chairman of the Board of Directors



RADIANT YACU LTD

MICRO INSURANCE COMPANY

Share capital 1,000,000,000 Rwf
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D. STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2023

Figures in RWF'000'	31/12/2023	31/12/2022
Cash flow from operating activities		
Profit before tax	2,183,236	623,274
Adjustment for:		
Retained earnings conversion	(377,542)	
Depreciation property and equipment	97,764	99,442
Finance Cost	4,433	8,785
Deferred tax movement		
Income tax expense	(390,340)	(48,101)
Investment income		
Change in working capital		
Increase/ Decrease in outstanding premium	(325,470)	(239,023)
Increase/ Decrease in other receivables	(96,699)	(37,534)
Increase/decrease in deered acquisition costs	-	
Decrease/ Increase in other payable		
Increase in receivables arising from re-insurance arrang	500,586	(811,538)
Increase in receivables arising from co-insurance arran	(72,560)	(208,111)
Payables arising out of co-insurance arrangement	-	
Reinsurance share in insurance contracts liability	(838,529)	(30,031)
Insurance contracts liability	184,287	1,588,284
Increase/(decrease) in payable arising from reinsuranc	410,994	417,846
Increase/(decrease) in payable arising from coinsuranc	(107,767)	252,533
Other payables	322,374	37,984
Other current assets	(2,092)	
Cash generated from operating activities	1,492,675	1,653,810
Net cash flow from operating activities		
Investing activities		
Purchase of property and equipments	(6,350)	(4,060)
Purchase of intangible assets		
Investments made in Treasury Bonds	(1,463,700)	(1,077,000)
Investments made in Term Deposit	(606,000)	(306,000)
Investments made in Unquote shares	(490,000)	
Receipts upon Treasury Bonds maturities	306,000	200,000
Receipts upon term deposits maturities	313,700	
Proceeds on maturity short term deposits		
Net cash used generated from/(utilised in) investing act	(1,946,350)	(1,187,060)

Figures in RWF'000'	31/12/2023	31/12/2022
Financing activities		
Grant received		
Receipts /(purchase) of Share capital	17,257	
Lease payments	(37,270)	(36,423)
Share holders/funds		
Interests on Reinsurance	(1,394)	(738)
Cash flows (utilised in)/generated from financing activ	(21,407)	(37,161)
Net Movement in Cash and Cash equivalents	(475,082)	
Increase in cash and cash equivalents		
Cash and cash equivalents as at January	686,042	256,453
Cash and cash equivalents as at December 2023	210,960	686,042

Chief Executive Officer
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E. DISCLOSURES AS AT 31 DECEMBER 2023

Figures in RWF'000'	31/12/2023	31/12/2022
ITEM	Amount/Ratio	Amount/Ratio
A. Solvency coverage		
a. Solvency required	300,000	300,000
b. Admitted assets	7,429,689	4,532,326
c. Admitted liabilities	5,974,296	4,086,204
d. Solvency available e.	798,126	446,122
e. Solvency surplus (gap)	498,126	43,241
f. Solvency coverage ratio	266%	148.71%
B.Capital Strength		
a. TAC (Total Available Capital)	798,126	446,122
b. RCR (Risk Based Capital Required)	300,000	300,000
c. CAR (Capital Adequacy ratio)	266%	149%
C. Earnings risk		
Claims Ratio	30%	63%
Management Expenses Ratio	26%	34%
Underwriting expenses ratio	1%	1%
Combined Ratio	57%	98%
D. INVESTMENT EXPOSURE		
a. Investment Exposure (s)/Government bonds	2,927,000	1,777,000
b. Earning assets ratio	50%	36%
c. Investment property ratio	0%	0%
d. Equities assets ratio	11%	0%
E. Liquidity Risk		
a. Liquidity Ratio (LCR)	95%	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		
H. Business composition		
a. Number of policyholders per branch		
Livestock Microinsurance	13,056	18,904
Personal Accident and Group Personal accident Microin	1,354	992
Student liability Microinsurance	221	223
Credit Life Microinsurance	19,022	11,798
TURIKUMWE Microinsurance	58,946	68,536
Crop Microinsurance	922	363
Saving INDOTO - Microinsurance	2,610	-
b. Number of policies in force per branch		
Livestock Microinsurance	20,901	25,777
Personal Accident and Group Personal accident Microin	1,553	1,123
Student liability Microinsurance	314	317
Credit Life Microinsurance	23,087	14,484
TURIKUMWE Microinsurance	155,088	86,248
Crop Microinsurance	1,117	410
Saving INDOTO - Microinsurance	2,758	-

Figures in RWF'000'	31/12/2023	31/12/2022
ITEM	Amount/Ratio	Amount/Ratio
I. Management and Board Composition		
a. Number of Board members (Independent and non-independent)		
Independent	3	4
non-independent	1	1
b. Number of Board committees	2	2
c. Number of senior management staff by gender		
male	3	3
female	3	1
J. Staff		
a. Total Number of non-managerial Staff by gender		
male	9	10
female	6	8
K. Insurance Intermediaries		
a. Number of insurance agents	220	158
b. Number of loss adjusters/ assessors	0	3
L. Branches		
a. Number of Branches by Province including Kigali City		
Kigali City	0	0
North	0	0
East	0	0
South	0	0
West	0	0

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F. PRODUCT PERFORMANCE ACCOUNT AS AT 31 DECEMBER 2023

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 expenses (8)	Technical profit/loss (9) (5-6-7-8)
TURIKUMWE Microinsurance	2,393,864	-	2,393,864	(1,217)	2,395,081	73,343	308,930	364,637	1,648,171
Livestock Microinsurance	734,352	542,695	191,657	(46,764)	238,421	(47,503)	12,134	134,491	139,299
Crop Microinsurance	793,668	563,569	230,099	(24,613)	254,712	(59,481)	134,087	155,823	24,283
Credit Life Microinsurance	407,415	32,874	374,541	182,807	191,734	104,340	78,455	78,143	(69,204)
Personal Accident and Group Personal accident Microinsurance	174,745		174,745	15,447	159,298	23,353	49,356	26,635	59,954
Student Liability Microinsurance	66,110		66,110	1,590	64,520	10,502	9,547	10,073	34,398
Saving microinsurance /INDOTO	41,097		41,097	-	41,097	-	16,372	1,893	22,832
TOTAL	4,611,251	1,139,138	3,472,113	127,251	3,344,862	104,554	608,881	771,695	1,859,732


Chief Executive Officer
Date 15th April 2024




Chairman of the Board of Directors

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.