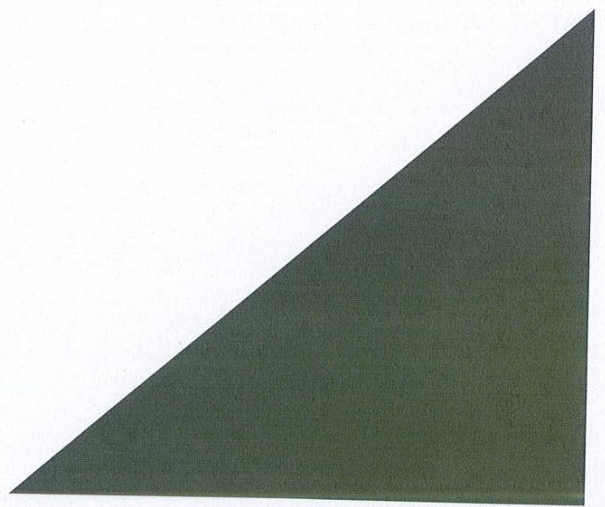




**RADIANT YACU LIMITED  
ANNUAL FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**



**RADIANT YACU LIMITED****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025****GENERAL INFORMATION**

**Country of incorporation and domicile** Rwanda

**Nature of business** Radiant Yacu Ltd is a 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.

**Holding company** Radiant Group Ltd

**Shareholders**

Name	Number of shares	Shareholding %
Radiant Group Ltd	1000,000	100%

**Directors**

Mr. MUGIRANEZA Yussuf	Chairperson	Appointed 21/12/2018
Mr. NDAYISENGA Davis	Member	Appointed 21/12/2018
Mrs. KAMUGWIZA Phoebé	Member	Appointed 21/12/2018
Mrs. UWAMAHORO Jeanne Françoise	Member	Appointed 24/04/2024

**Registered office**

Radiant Yacu Ltd  
KN3 Avenue Radiant Building  
P.O. Box 1861  
Kigali - Rwanda

**Bankers**

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

Atlantique Microfinance Plc  
P.O. Box 1341  
Kigali, Rwanda

Ecobank Rwanda Plc  
P.O. Box 3268  
Kigali, Rwanda

Umutanguha Finance Plc  
P.O. Box 2998  
Kigali - Rwanda

Duterimbere IMF Plc  
P.O. Box 175  
Kigali Rwanda

Jali SC Plc  
P.O. Box 3630  
Kigali, Rwanda

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

Vision Fund  
P.O. Box 6893  
Kigali, Rwanda

BPR Bank Rwanda Plc  
P.O. Box 1348  
Kigali Rwanda

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

Bank of Africa Plc  
P.O. Box 6774  
Kigali Rwanda

Equity Bank Rwanda PLC  
P O Box 494  
Kigali-Rwanda

**RADIANT YACU LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**GENERAL INFORMATION**

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**Company Secretary**

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

**Actuaries**

Zamara Actuaries, Administration & Insurance Brokers Ltd  
M Peace Plaza  
KN4 AV 10  
P.O Box 4870  
Kigali - Rwanda

**Auditors**

BDO East Africa (Rwanda) Ltd  
Certified Public Accountants  
Career Centre Building, 8th Floor  
KG 541 St Road  
P.O Box 6593  
Kigali - Rwanda

**RADIANT YACU LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

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**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**DIRECTORS' REPORT**

The Directors submit their report together with the audited financial statements for the year ended 31 December 2025 for Radiant Yacu Limited (the "Company"), which discloses the state of the Company's affairs.

**1. Incorporation**

The Company is incorporated in Rwanda under Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No.019/2023 of 30/03/2023 as a private company limited by shares and is domiciled in Rwanda. The address and the registered office are set out on page 1. The Company was licensed by the National Bank of Rwanda to carry out micro insurance services in June 2020.

**2. Nature of business**

Radiant Yacu Limited underwrites the following risks: livestock insurance product, students' liability microinsurance, personal accident and group personal accident microinsurance, credit life micro insurance, crop microinsurance and micro saving.

**3. Review of financial results and activities**

The financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No.019/2023 of 30/03/2023 . The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Company are set out in these financial statements.

**4. Share capital.**

			2025	2024
<b>Authorised</b>			Number of shares	
	Ordinary shares		1000	1000
<b>Issued</b>		2025	2025	2024
	Ordinary shares	Frw,000	Frw,000	Number of shares
		1,000,000	1000,000	1000

**5. Directors**

The directors in office at the date of this report are listed on page 1.

**6. Results and dividend**

The profit for the year of Frw 1,565 million (2024: Frw 1,011 million) has been added to retained earnings. The directors do not recommend the declaration of dividend (2024 2.5 billion subject to approval from regulator).

**7. Going Concern**

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position.

The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

**DIRECTORS' REPORT**

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**8. Auditors**

BDO East Africa (Rwanda) Ltd was appointed as the Company's auditors for the current year and expressed their willingness to continue in office in accordance with Regulation No. 14/2017 of 23/11/2017 on accreditation requirements and in accordance with Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No.019/2023 of 30/03/2023.

**Approval of the financial statements**

 **MUGWANEZA YUSSUP**

\_\_\_\_\_  
Director Name & Signature

30<sup>th</sup> April /2026



**STATEMENT OF CORPORATE GOVERNANCE**

**1. Board Audit Committee.**

During the year under review, the Board Audit Committee comprised 2 directors. They performed their duties and responsibilities, and the key objective was 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 also reviews the performance and findings of Internal Audit and external auditors and recommends appropriate remedial action at least quarterly, and the supplementary functions assigned by the Board.

Members of the Board Audit Committee are below:

Mrs. UWAMAHORO Jeanne Françoise	Chairperson	Independent Director
Mr. NDAYISENGA Davis	Member	Independent Director

**2. Board Risk Management Committee**

The Board Risk Management Committee comprised 2 directors. Its key objective is to oversee the Risk Management Policy of the Company. The Committee is responsible for reviewing and assessing the integrity and effectiveness of the risk management system and ensuring that all material risks are identified, measured, monitored and reported. The members are:

Mrs. UWAMAHORO Jeanne Françoise	Chairperson	Independent Director
Mr. NDAYISENGA Davis	Member	Independent Director

**3. Management Committee**

The Management Committee meets once every week and comprises the executive and senior staff. Its key objective is to monitor the implementation of overall strategy of the Company. The Committee reviews Company's performance of all departments each week and particularly ensures that Radiant 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
SEBUHINJA Jean Pierre	Finance & Accounting Manager
GAKURU James	Sales & Marketing Manager

**4. Compliance with laws**

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

**5. Internal controls**

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

**STATEMENT OF CORPORATE GOVERNANCE- CONTINUED**

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**6. Attendance of Board Meetings**

In 2025, the attendance at board meetings is set out below:

<b>Name</b>	<b>Number of meetings held</b>	<b>Number of meeting attended</b>	<b>Attendance %</b>
Mr. MUGIRANEZA Yussuf	5	5	100%
Mrs. KAMUGWIZA Phobé	5	2	40%
Mr. NDAYISENGA Davis	5	4	80%
Mrs. UWAMAHORO Jeanne Francoise	5	4	80%

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are required in terms of Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30/03/2023 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company as at the end of the financial period and the results of its operations and cash flow for the period then ended, in conformity with IFRS Accounting Standards.

The financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing, and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems, and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Company's cash flow forecast for the year to 31 December 2025, and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

**Approval of the Financial Statements**

The financial statements and notes set out on pages 9 to 59 were approved by the Board of Directors on .....2026 and were signed on their behalf by:

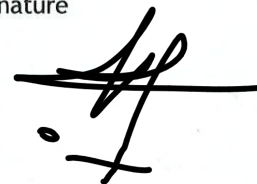
MUGIRANEZA Yussuf

NJAHISENGA JAVU

Director's name and signature



Director's name and signature



**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Radiant Yacu Ltd

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Radiant Yacu Ltd "the Company" set out on pages 13 to 16, which comprise:

- the statement of financial position as of December 31, 2025,
- the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), Regulation No. 47/2022 of 02/06/2022 on publication of financial statements and other disclosures by insurers, BNR regulations, other supervisory requirement and the requirements of Rwanda Companies Act (Law no 007/2021 of 05/02/2021 governing companies in Rwanda as modified and complemented to date by the Law No 019/2023 of 30/03/2023).

**Basis for Opinion**

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

**Key audit matter**

**How the matter was addressed in our audit**

**IFRS 17 Insurance Contracts**

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

**Valuation of insurance contract liabilities**

As at 31 December 2025, the Company held Frw 6.085 billion of insurance contract liabilities of which there are two components. The Valuation of the Liability for Remaining Coverage is a key audit matter due to the complexity of the actuarial methodology and assumptions used to model separate components of the liability, which result in inherent estimation uncertainty.

- We tested the design and implementation and operating effectiveness of key controls designed and operated by the Company over the valuation of the insurance contract liabilities.
- We challenged key assumptions used to determine insurance policy liability balances.

Our challenge focused on the assumptions applied to claims data and future cashflows and included:



## Key audit matter

## How the matter was addressed in our audit

### IFRS 17 Insurance Contracts

The valuation of the Liability for Incurred Claims is a key audit matter as it is highly judgemental and requires assumptions to be made with inherent estimation uncertainty. These assumptions can have significant impacts on the valuation. This complexity requires us to exercise judgement when evaluating the methodology and assumptions adopted by the Company.

The most significant assumptions made in the valuation of policy liability balances arising from the Company's insurance contracts relate to:

- (i) Discount rates;
- (ii) Expected claims incurred arising from future coverage
- (iii) Risk adjustment for non-financial risk
- (iv) The uncertainty in the timing of claim payments and recoveries
- (v) Past claims experience being an appropriate predictor of future experience

- Evaluating historical actual versus expected claims experience in relation to the number of delinquencies and the severity assumptions, together with the timing of claims payments and recoveries using historical data;
  - Assessing the consistency of information, such as claims experience and trends within the Company by benchmarking the risk adjustment adopted by other companies in the same industry and consistency with the risk adjustment adopted at the previous year-end.
  - Evaluating the impact of more recent claims experience on expected cashflows, including impacts from the current economic environment;
  - Use of technical expert to review the model.
- We assessed the disclosures in the financial statements for adequacy against the requirements of IFRS 17.

— Refer to Note 1 Material accounting information, note 1 for Significant judgements and note 21 Insurance contract liabilities of the accompanying financial statements.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Report of the Directors and Statement of Directors' Responsibilities but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Report on Other Legal and Regulatory Requirements

As required by the Rwanda Companies Act we report to you, based on our audit, that:

- We have no relationship, interest or debt with Company. As indicated in our report on the audit of the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which includes comprehensive independence and other requirements.
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as our examination of those books appears.
- We have communicated with those charged with governance our significant audit findings, and significant deficiencies in internal control that we identified during our audit.
- According to the best of the information and the explanations given to us as auditors, as shown by the accounting and other documents of the company, the financial statements comply with Article 125 of Rwanda Companies Act.

---

BDO East Africa (Rwanda) Ltd  
Certified Public Accountants  
Career Center Building, 8<sup>th</sup> Floor  
KG 541st, P.O Box 6593  
Kigali, Rwanda



BDO EA RWANDA Ltd  
Tel: +250 788309225  
+250 738304070  
P.O Box 6593 Kigali, Rwanda

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CPA Clément Niyitegeka Egide Kabano  
PC/CPA 0228/0081  
Engagement Partner

Date : 30 April 2026

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR THE ENDED 31 DECEMBER 2025**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025	2024
		Frw'000	Frw'000
Insurance revenue	2	9,194,145	5,554,080
Insurance service expenses	3	(6,215,940)	(2,991,749)
<b>Insurance service results before insurance contracts held</b>		<b>2,978,205</b>	<b>2,562,331</b>
Allocation of reinsurance premiums	4	1,753,293	-1,084,666
Amounts recoverable from reinsurers for incurred claims	5	1,531,006	795,541
<b>Net expense from reinsurance contracts held</b>		<b>(222,287)</b>	<b>(289,125)</b>
<b>Insurance service result</b>		<b>2,755,918</b>	<b>2,273,206</b>
Net finance expense from insurance contracts		(180,475)	(141,629)
Net finance expense from reinsurance contracts		69,597	59,819
<b>Net insurance finance result</b>		<b>110,878</b>	<b>81,809</b>
Investment income	6	380,035	275,666
Other income	7	66,922	40,533
Other operating expenses	8	(846,974)	(1,068,156)
<b>Profit before tax</b>		<b>2,245,023</b>	<b>1,439,439</b>
Income tax expense	16	(588,776)	(428,717)
<b>Profit for the year</b>		<b>1,656,247</b>	<b>1,010,722</b>
Other comprehensive income for the period		-	-
<b>Total Comprehensive income</b>		<b>1,656,247</b>	<b>1,010,722</b>

The notes on pages 9 to 59 are an integral part of these financial statements.

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR THE ENDED 31 DECEMBER 2025**

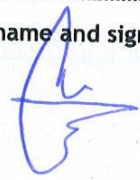
**STATEMENT OF FINANCIAL POSITION**

	Note	2025 Frw'000	2024 Frw'000
<b>Assets</b>			
Cash and cash equivalents	9	1,018,528	479,209
Investments in term deposits	10	1,527,478	1,031,000
Investment in treasury bonds	11	4,890,802	1,190,000
Investment in unquoted securities	12	800,000	800,000
Reinsurance contract assets	13	1,406,229	1,630,932
Other receivables	14	565,684	125,857
inventory	15	4,709	3,934
Current income tax	16	-	235,699
Deferred income tax	16	106,858	19,325
Property and equipment	17	2,122,637	2,030,514
Intangible assets	18	8,820	40,277
<b>Total Assets</b>		<b>12,451,744</b>	<b>7,586,747</b>
<b>Liabilities</b>			
Insurance contracts liabilities	19	6,085,574	2,788,357
Reinsurance contract liabilities	20	597,052	879,196
Other payables	21	385,548	303,675
Current income tax	16	111,805	-
<b>Total liabilities</b>		<b>7,179,979</b>	<b>3,971,228</b>
<b>Equity</b>			
Ordinary share capital		1,000,000	1,000,000
Retained earnings		4,271,765	2,615,519
<b>Total equity</b>		<b>5,271,765</b>	<b>3,615,519</b>
<b>Total equity and liabilities</b>		<b>12,451,744</b>	<b>7,586,747</b>

These financial statements and notes on pages 9 to 59 which have been prepared on the going concern basis, were approved by the Board of Directors on.....2026 and signed on its behalf by:

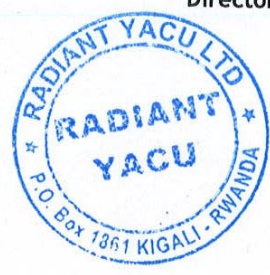
*MUGIRANEZA YUSSUF*

Director name and signature



*DAVIS NDAYISE NGA*

Director name and signature

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR THE ENDED 31 DECEMBER 2025**

**STATEMENT OF CHANGE IN EQUITY**

	Ordinary share capital Frw'000	Retained earnings Frw'000	Total Equity Frw'000
As at 1 January 2025	1,000,000	2,615,517	3,615,517
Profit for the year		1,656,247	1,656,247
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
<b>As at 31 December 2025</b>	<b>1,000,000</b>	<b>4,271,764</b>	<b>5,271,764</b>

	Ordinary share capital Frw'000	Retained earnings Frw'000	Total Equity Frw'000
As at 1 January 2024	1,000,000	1,604,797	2,604,797
Profit for the year		1,010,720	1,010,720
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
<b>As at 31 December 2024</b>	<b>1,000,000</b>	<b>2,615,517</b>	<b>3,615,517</b>

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR THE ENDED 31 DECEMBER 2025**

**STATEMENT OF CASH FLOW**

		2025	2024
	Notes	Frw'000	Frw'000
Profit before tax		2,245,023	1,439,439
Adjustments for:			
Depreciation and amortisation	17	207,176	87,849
Reinsurance service results		(110,878)	(81,809)
Gain/loss on disposal	17	2,357	
Investment income	6	(380,035)	-
Change in working capital:			
Inventories	15	(775)	(1,842)
Other receivables	14	(439,827)	75,025
Other payables	21	81,874	(94,072)
Effect of IFRS 17			(13,755)
Movement in reinsurance contract assets	13	224,703	280,663
Insurance contracts liabilities	19	3,297,217	813,943
Movement in reinsurance contract liabilities	20	(282,144)	(505,633)
<b>Operating activities</b>			
Cash flows generated from/(used in) from operations		4,844,692	1,999,808
Income tax paid	16	(328,807)	(1,071,243)
<b>Cash generated from operating activities</b>		<b>4,515,885</b>	<b>928,565</b>
<b>Investing activities</b>			
Interest received		167,716	
Investments made in treasury bonds	12	(3,534,960)	(700,000)
Receipts upon treasury bonds maturities		-	2,437,000
Investments made in term deposits	11	(450,000)	(1,031,000)
Receipts upon term deposits maturities		-	606,000
Acquisition of property and equipment	17	(270,200)	(2,018,845)
Acquisition of intangible assets	18	-	(35,280)
<b>Cash used in investing activities</b>		<b>(4,087,444)</b>	<b>(742,125)</b>
<b>Financing activities</b>			
Receipts of share capital			-
Reinsurance service results		110,878	81,809
<b>Cash (used in)/ from financing activities</b>		<b>110,878</b>	<b>81,809</b>
<b>Net movement in cash and cash equivalents</b>		<b>539,319</b>	<b>268,249</b>
Cash and cash equivalents at start of year		479,209	210,960
<b>Cash and cash equivalents at end of year</b>		<b>1,018,528</b>	<b>479,209</b>

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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**1. Basis of preparation**

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

**a) Basis of preparation**

The principal accounting policies adopted in the preparation of this financial statement are set out in note 2.

The financial statements are presented in Rwandan Francs (Frw), which is also the Company's functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations, and the requirements of Law No. 007/2021 of 05/02/2021 governing companies as amended by Law No. 019/2023 of 30/03/2023.

The preparation of financial statements in compliance with adopted IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgment in applying its accounting policies. The areas where significant judgments and estimates have been made in preparing financial statements and their effect are disclosed in note 3.

**Basis of measurement**

The financial statements have been prepared on a historical cost basis unless otherwise stated in the accounting policies below.

These financial statements have been prepared in compliance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), and the requirements of the Law N°007/2021 of 05/02/2021 governing companies as amended by Law No 019/2023 of 30/03/2023.

**b) New standards, amendments and interpretations adopted during the year**

**1) New standards, amendments and interpretations adopted from 1 January 2025**

The following amendments are effective for the period beginning 1 January 2025:

Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates )

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the financial statements of the entity.

The following illustrative examples have been issued during 2025 with no effective date:

On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The entity has considered these illustrative examples in its preparation of the financial statements and no additional disclosures or changes in presentation were considered necessary.

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the entity has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Company is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management defined performance measures.

2. Critical accounting estimates and judgments

The directors make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Judgements

Critical accounting estimates and judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

Estimates and assumptions

**Insurance and reinsurance contracts classification**

**(a) Classification**

The Company issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. Insurance contracts issued by the Company are classified as general insurance business based on the duration of the risk insured. Classes of general insurance include accident, crop, engineering, guarantee, liability, medical, motor, property and Transport.

**(b) Separating components from insurance and reinsurance contracts**

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components. After separating any distinct components, the Company applies IFRS 17 to all remaining components of

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive - either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

**(c) Level of aggregation**

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator.

However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

As per IFRS 17, the below portfolios have been identified:

- Crop
- Loan protection
- Personal accident
- Savings
- Turikumwe

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Product name	Details
Crop	A risk management tool that helps farmers protect their crops and income from losses
Personnel accident	Personal accident insurance can be used to provide compensation in the event of death by accident, and to mitigate loss of income and any additional expenses incurred if an individual is disabled from attending to this usual work.
Turikumwe	The product is tailor-made to cover low-income informal sector workers against losses arising from personal accidents. It is specifically designed for all informal sector workers aggregated through MFIs, cooperatives, and banks. The policy pays the insured person a defined benefit in event of accidental death, total permanent disability, funeral benefit in case of natural death, and income replacement in case of hospitalization caused by an accident during the term of the policy.
Loan Protection	The product covers the outstanding principal and interest of one month of a loan upon the death, Total permanent disability, critical illness of the Borrower, and retrenchment. This product is tailor made to cover short loan balances on reducing balance basis for small scale borrowers (groups and individual level)
Savings	The product provides a savings option for low-income earners. Specifically, it was developed for bicyclists with the aim of improving their standard of living through a savings culture. The insured has the option of withdrawing after three months or more, with an interest rate of 4% per annum, compounded monthly.

**(d) Onerous Groups**

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. Management has assessed the onerous portfolios based on historical profitability.

**3. Material accounting policy information**

**(i) Insurance contracts**

**a) Recognition**

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- or a group of onerous contracts if facts and circumstances indicate that the group is onerous.

The Company recognises a group of reinsurance contracts held it has entered from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. (However, the
- Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held. And
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into, the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

**b) Segment reporting**

The company has five operating segments by major product lines. These segments have been defined based on the performance assessment and resource allocation:

**RADIANT YACU LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Product Performance	Product Performance 2025 '000'						Loan Protection - GMM	Total
	Crop	Personal Accident	Turikumwe	Savings	Livestock	Students Liability		
Revenue account								
Revenue from PAA Contracts								
Revenue from GMM Contracts (excluding VFA contracts)	-	-	-	-	-	-	414,686	414,686
Revenue from VFA Contracts	-	-	-	-	-	-	-	-
Total Insurance Revenue	1,434,122	327,501	5,656,837	377,819	873,477	109,702	414,686	9,194,145
Actual claims and expenses over the period	1,148,673	119,595	1,817,867	399,369	863,598	35,834	414,032	4,798,968
Release of deferred acquisition cost	118,731	45,546	528,114	-	127,437	16,362	-	836,191
Expected release of incurred claims over the period	(149,044)	(37,111)	(231,835)	(64,182)	(168,630)	(11,634)	(414,032)	(1,076,468)
Expected release of risk adjustment for incurred claims	(19,953)	(6,441)	(36,339)	(8,190)	(22,575)	(1,662)	-	(95,161)
Newly Incurred Claims over the period	196,003	41,515	690,084	143,344	213,951	15,163	414,032	1,714,093
Increase in incurred claims liability for past periods	(18,587)	13,489	(176,626)	-	(16,488)	(2,244)	-	(200,456)
Increase in losses on onerous contracts	-	-	-	-	-	-	(22,770)	(22,770)
Expected Release of RA For Loss Component	-	-	-	-	-	-	(2,198)	(2,198)
Increase in Losses on Onerous Contracts	(163)	-	-	-	422	-	224,464	224,724
Loan Protection OCR Mvt	-	-	-	-	-	-	39,017,395	39,017,395
Insurance service expenses	1,275,661	176,592	2,591,267	470,341	997,715	51,819	652,545	6,215,940
Insurance service results before reinsurance contracts held	158,461	150,909	3,065,571	(92,521)	(124,238)	57,883	(237,860)	2,978,205
Allocation of reinsurance premiums	1,641,452	-	-	-	-	-	111,841	1,753,293
Amount recoverable from reinsurers for incurred claims	1,464,836	-	-	-	-	-	66,456	1,531,292
Net expenses from reinsurance contracts held	176,616	-	-	-	-	-	45,385	222,001
Insurance service result	(18,154)	150,909	3,065,571	(92,521)	(124,238)	57,883	(283,245)	2,756,204

	Segment reporting 2024					
In Frw 000						
Product Performance	Crop	Personal Accident	Turikumwe	Savings	Loan Protection GMM	Total

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Revenue Account						
Revenue from PAA Contracts	1,506,016	313,352	3,249,854	174,166	-	5,243,388
Revenue from GMM Contracts	-	-	-	-	310,692	310,692
Total Insurance Revenue	1,506,016	313,352	3,249,854	174,166	310,692	5,554,080
Insurance service expenses	1,091,340	106,074	1,487,512	200,229	106,595	2,991,751
Insurance service results before reinsurance contracts held	414,676	207,278	1,762,342	(26,063)	204,097	2,562,329
Net expenses from reinsurance contracts held	232,413	-	-	-	(3,108)	229,305
Insurance service result	182,263	207,278	1,762,342	(26,063)	207,205	2,333,025

**c) Measurement - Premium Allocation Approach**

Measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To allocate individual insurance contracts to groups of contracts, an entity first needs to define portfolios which include contracts with similar risks that are managed together. These portfolios are to be subdivided into groups of contracts on the basis of profitability and annual cohorts. IFRS 17 consists of 3 measurement models:

*The general measurement model (GMM)*, also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin.

*The variable fee approach (VFA)* is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts.

*The premium allocation approach (PAA)* is a simplified approach for the measurement of the liability for remaining coverage an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates for the liability for incurred claims. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds.

Insurance revenue and insurance service expenses are recognised in the statement of profit or loss and other comprehensive income based on the concept of services provided during the period. The standard requires losses to be recognised immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions.
- Initial stages of a new business acquired where the underlying contracts are onerous.

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

- Any other strategic decisions the board considers appropriate.

Contractual Service Margin (CSM): The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

The company disclose CSM below:

2025

Time (years)	0	1	2	3	4	5	6	7	8	9	10	11	12
CSM_REMAINING	290,885	143,927	64,897	25,220	7,426	1,346	226	105	39	7	-	-	-
CSM_RECOGNISED	-	146,958	79,029	39,677	17,794	6,080	1,120	121	66	32	7	-	-

2024

Time (years)	0	1	2	3	4	5	6	7	8	9	10	11	12
CSM_REMAINING	201,912	86,722	32,885	9,763	1,754	205	61	26	13	6	1	-	-
CSM_RECOGNISED	-	115,190	53,837	23,122	8,009	1,549	144	35	13	8	4	1	-

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

**a) Material accounting policy choices**

The following table sets out the accounting policy choices adopted by the Company:

	<b>IFRS 17 options</b>	<b>Adopted approach</b>
Insurance acquisition cash flows	Provided that the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortizing them over the contract's coverage period.	Insurance acquisition expenses are included in the measurement of the insurance liability and amortized over the coverage period. This is aligned to the current practice and reduces the possibility of onerous contracts.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.
Liability for Incurred Claims ("LIC") adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred it is not required to adjust these amounts for the time value of money.	For some claims that are expected to be paid out in less than one year, no adjustment is made for the time value of money. For all other business, the LIC is adjusted for the time value of money since these typically have a settlement period of over one year.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	For contracts measured under the PAA, the Company will include the entire change in risk adjustment for non-financial risk as part of the insurance service result.
Insurance finance income and expense.	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	The impact on LFIC of changes in discount rates will be captured within the statement of profit or loss.

**b) Insurance contracts - initial measurement**

The Company applies the premium allocation approach (PAA) to Crop, Personal Accident, Savings, Turikumwe and applies general measurement model (GMM) on loan protection and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.
- Or
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

The extent of future cash flows related to any derivatives embedded in the contracts

- The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed, plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

**c) Reinsurance contracts held - initial measurement.**

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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**3. Material accounting policy information (continued)**

**(i) Reinsurance contracts held - initial measurement**

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

**d) Insurance contracts - subsequent measurement**

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

**e) Reinsurance contracts held - subsequent measurement.**

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Company has established a loss-recovery component, the Company subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

NOTES TO THE FINANCIAL STATEMENTS- CONTINUED

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3. Material accounting policy information (continued)

**f) Insurance acquisition cash flows**

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company uses a systematic and rational method to allocate:

- a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
  - (i) to that group; and
  - (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

**g) Insurance contracts - modification and derecognition**

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) Or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract. When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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**3. Material accounting policy information (continued)**

**h) Presentation**

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

**i) Insurance revenue**

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

**j) Loss components**

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

**k) Loss-recovery components**

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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**3. Material Accounting policy information (continued)**

**l) *Insurance finance income and expense***

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Standard allows for Companies to disaggregate insurance finance income or expenses on insurance contracts issued between profit or loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Company does not disaggregate finance income and expenses because the related financial assets are managed on amortized cost.

**m) *Net income or expense from reinsurance contracts held***

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS- CONTINUED

## 3. Material accounting policy information (continued)

n) *Property and equipment*

Property, plant and equipment is initially measured at cost.

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Building	5%
Motor vehicles	25%
Computers	50%
Furniture, fixtures and equipment	25%

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

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

o) *Intangible assets*

The company's intangible assets are made of establishment & development costs and computer software.

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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

**p) Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

**Defined contribution scheme**

The Company and all its employees contribute to the Rwanda Social Security Board, which is a government mandated defined contribution scheme. The Company's portion of the contributions are charged to profit or loss in the period in which the related employee services are rendered.

**Termination benefits**

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

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

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

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

**Financial assets at amortized cost**

Financial assets that are held to collect contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortized cost.

The Company applies the expected credit loss (ECL) model in accordance with IFRS 9:

- **Recognition of loss allowance:** For Stage 1, on initial recognition, a loss allowance is recognized for 12 month expected credit losses. For Stage 2, If credit risk increases significantly since initial recognition, lifetime expected credit losses are recognized. For Stage 3, for credit impaired assets, lifetime expected credit losses continue to be recognized.
- **Measurement:** Expected credit losses are measured as the present value of all cash shortfalls, discounted at the asset's original effective interest rate. Loss allowances are deducted from the carrying amount of financial assets at amortized cost.
- **Reversals:** If credit quality improves, the loss allowance is reduced accordingly, with the reversal recognized in profit or loss

**Trade receivables, contract assets and lease receivables**

Apply simplified approach – lifetime expected credit losses recognized at all times. Write-offs reduce carrying amount; subsequent recoveries recognized in income.

In addition, a portfolio impairment provision is made to cover losses that have been incurred but not reported at the reporting date. The Company sets the portfolio impairment with reference to past experience taking

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

into account the effect of current conditions that did not affect the period on which the historic loss is based and to remove the effect of conditions in the historical period that do not exist currently. These factors include, but are not limited to, the economic environment, the shape of the portfolio with reference to a range of indicators and management actions taken to proactively manage the portfolio.

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

Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

These are subject to the expected credit loss (ECL) model under IFRS 9, with loss allowances recognized in OCI; initially, 12 month ECLs are recognized, but if credit risk increases significantly, lifetime ECLs are recorded, and for credit impaired assets lifetime ECLs continue to apply, with reversals permitted if credit quality improves. For trade receivables, contract assets, and lease receivables, the Company applies the simplified approach, always recognizing lifetime ECL. In accordance with IFRS 17, insurance contract liabilities are measured using current estimates of future cash flows adjusted for risk, while reinsurance contracts held are recognized as separate assets, with any impairment of reinsurance recoverable reflected directly in the measurement of the reinsurance contract held asset rather than through the IFRS 9 ECL model.

***Impairment for non-financial assets***

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

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

***r) Income taxes***

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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

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

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

**s) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, deposits held at call or for a tenor of three (3) months or less with the banks.

**t) Inventories**

Inventories are measured at the lower of cost and net realizable value (NRV).

Cost is determined using the weighted average method and includes all costs incurred in bringing the inventories to their present location and condition.

Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

**u)** The Company’s inventories primarily consist of items held for Office consumables and stationery. **Dividends** Dividends declared after the reporting period but before the financial statements are authorized for issue, are not recognized as a liability at the end of the reporting period because no obligation exists at that time.

**v) Share capital**

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

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

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

**w) Investment income**

Interest income is recognized in profit or loss using the effective interest rate (EIR) method, which allocates income over the relevant period based on the carrying amount of the financial asset.

Financial assets are classified and measured at amortized cost, as they are held within a business model whose objective is to collect contractual cash flows consisting solely of principal and interest.

For assets supporting insurance contract liabilities, investment income is recognized in accordance with the Company’s accounting policy under IFRS 17, including any allocation between insurance finance income/expense and profit or loss, where applicable.

**x) Provisions and contingencies**

Provisions are recognised when;

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

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

Where some or all of the expenditure required settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

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

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

- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and

When the plan will be implemented; and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

**y) Liability for remaining coverage**

Premium income is recognized on assumption of risks and includes estimates of premiums due but not yet received less unexpired portion of the coverage period. The liability for remaining coverage is the Company's obligation to:

(a) investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the coverage period); and

(b) pay amounts under existing insurance contracts that are not included in (a) and that related to:

(i) insurance contract services not yet provided (i.e., the obligation that relates to future provision of insurance contract services); or

(ii) any investment component or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

For groups of contracts measured under the Premium Allocation Approach, the liability for remaining coverage at any point in time is calculated as the sum of the liability for the remaining coverage excluding any loss component and any loss component. Using the premium allocation approach, the Company measures the liability for remaining coverage as follows:

a) On initial recognition, the carrying amount of the liability is:

1. The premiums, if any, received at initial recognition.
2. Minus any insurance acquisition cash flows at that date, unless the entity chooses to recognise the payments as an expense.
3. Plus or minus any amount arising from the derecognition at that date of;
  - Any asset for insurance acquisition cashflows and

b) At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period:

1. plus, the premiums received in the period
2. minus insurance acquisition cash flows, unless the entity chooses to recognise the payments as an expense.

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

3. plus, any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period, unless the entity chooses to recognise insurance acquisition cash flows as an expense.

minus the amount recognised as insurance revenue for insurance contract services coverage provided in that period.

**z) Risk adjustment**

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency)

approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all portfolios (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

**aa) Assets for insurance acquisition cash flows**

Insurance acquisition expenses are included in the measurement of the insurance liability and amortized over the coverage period. This is aligned to the current practice and reduces the possibility of onerous contracts.

The Company expenses its insurance acquisition cash flows for its portfolios immediately the expense is incurred, and an asset is created for the deferred portion. The asset for insurance acquisition cashflow is derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

**bb) Management of financial and insurance risk**

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

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

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

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

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

**a. Insurance risk management**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

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

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

**Insurance risk**

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

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are 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 developed 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 and type of industry covered.

Sensitivity analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

The Company purchases reinsurance as part of its risk mitigation program. Reinsurance held is placed on either a proportional basis, non-proportional basis or/and facultative basis. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying insurance contract liabilities and in accordance with the reinsurance contracts.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract. There is no single counterparty exposure that exceeds 5% of total reinsurance assets at the reporting date.

**Liability for incurred claims**

The following tables show the concentration of net insurance contract liabilities by type of contract:

Frw' 000	2025			2024		
	Insurance	Reinsurance held	Net	Insurance	Reinsurance held	Net
Crop	202,523	226,898	(24,375)	392,981	310,831	82,150

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Livestock	225,953	231,826	(5,872)	32,691	-	32,691
Loan Protection	71,708	-	71,708	-	-	-
Personal Accident	55,473	-	55,473	71,374	-	71,374
Savings	143,344	-	143,344	68,866	-	68,866
Students Liability	17,715	-	17,715	-	-	-
Turikumwe	694,585	-	694,585	421,708	-	421,708
Total	1,411,302	458,723	952,578	987,620	310,831	676,789

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

The product concentration of the Company's insurance contract liabilities is noted below. The disclosure is based on the countries where the business is written:

Frw' 000	2025							
	Crop	Livestock	Loan Protection	Personal Accident	Savings	Students Liability	Turikumwe	Total
<b>Rwanda</b>								
Contracts issued	202,523	225,953	71,708	55,473	143,344	17,715	694,585	1,411,302
Reinsurance held	226,898	231,826	-	-	-	-	-	458,723
<b>Total net insurance contracts</b>	<b>-24,375</b>	<b>-5,872</b>	<b>71,708</b>	<b>55,473</b>	<b>143,344</b>	<b>17,715</b>	<b>694,585</b>	<b>952,578</b>

Frw' 000	2024							
	Crop	Livestock	Loan Protection	Personal Accident	Savings	Students Liability	Turikumwe	Total
<b>Rwanda</b>								
Contracts issued	392,981	32,691	-	71,374	68,866	-	421,708	987,620
Reinsurance held	310,831	-	-	-	-	-	-	310,831
<b>Total net insurance contracts</b>	<b>82,150</b>	<b>32,691</b>	<b>-</b>	<b>71,374</b>	<b>68,866</b>	<b>-</b>	<b>421,708</b>	<b>676,789</b>

**Liability for remaining coverage**

The following tables show the concentration of net insurance contract liabilities by type of contract:

Frw' 000	2025			2024		
	Insurance	Reinsurance held	Net	Insurance	Reinsurance held	Net
Crop	313,512	176,711	136,802	471,726	270,025	201,701
Livestock	384,100	231,266	152,834	-	-	-
Loan Protection	1,239,556	345,662	893,894	439,305	87,158	352,147
Personal Accident	128,611	-	128,611	137,724	-	137,724
Savings	-1	-	-1	-	-	-
Students Liability	53,401	-	53,401	-	-	-
Turikumwe	2,829,396	-	2,829,396	1,166,651	-	1,166,651
<b>Total</b>	<b>4,948,575</b>	<b>753,639</b>	<b>4,194,936</b>	<b>2,215,406</b>	<b>357,182</b>	<b>1,858,224</b>

The geographical concentration of the Company's insurance contract liabilities is noted below. The disclosure is based on the countries where the business is written:

Frw' 000	2025							
	Crop	Livestock	Loan Protection	Personal Accident	Savings	Students Liability	Turikumwe	Total
<b>Rwanda</b>								
Contracts issued	313,512	384,100	1,239,556	128,611	-1	53,401	2,829,396	4,948,575
Reinsurance held	176,711	231,266	345,662	-	-	-	-	753,639
<b>Total net insurance contracts</b>	<b>136,802</b>	<b>152,834</b>	<b>893,894</b>	<b>128,611</b>	<b>-1</b>	<b>53,401</b>	<b>2,829,396</b>	<b>4,194,936</b>

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Frw' 000	2024							Total
	Crop	Livestock	Loan Protection	Personal Accident	Savings	Students Liability	Turikumwe	
<b>Rwanda</b>								
Contracts issued	471,726	-	439,305	137,724	-	-	1,166,651	2,215,406
Reinsurance held	270,025	-	87,158	-	-	-	-	357,182
<b>Total net insurance contracts</b>	<b>201,701</b>	<b>-</b>	<b>352,147</b>	<b>137,724</b>	<b>-</b>	<b>-</b>	<b>1,166,651</b>	<b>1,858,224</b>

**Sensitivities**

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are nonlinear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

**Claims development table**

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

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Crop Triangles Used: Incurred

Loss Year	Development Year						
	0	1	2	3	4	5	6
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	12,523	12,307	12,307	12,307	-	-
2022	538,845	366,479	366,026	365,681	-	-	-
2023	414,647	510,499	511,682	-	-	-	-
2024	333,846	696,178	-	-	-	-	-
2025	438,858	-	-	-	-	-	-
<b>Selection</b>	<b>1.2220</b>	<b>1.1000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
PCL	0.0%	-	0.0%
PCL	0.0%	-	0.0%
PCL	0.0%	12,307	0.0%
PCL	0.0%	365,534	53.6%
PCL	0.0%	514,602	64.1%
PCL	0.0%	695,102	84.5%
PBF	57.0%	862,522	53.8%

Livestock Triangles Used: Incurred

Loss Year	Development Year						
	0	1	2	3	4	5	6
2019	-	-	-	-	-	-	-
2020	-	6,396	5,740	4,293	4,293	4,293	-
2021	360,862	622,952	526,532	486,138	472,193	-	-
2022	236,669	466,628	427,362	400,199	-	-	-
2023	404,692	670,716	593,034	-	-	-	-
2024	326,091	594,841	-	-	-	-	-
2025	349,106	-	-	-	-	-	-
<b>Selection</b>	<b>1.4500</b>	<b>1.1000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
PCL		-	0.0%
PCL		4,293	0.0%
PCL		472,193	104.7%
PCL		401,323	60.9%
PCL		599,618	81.7%
PCL		616,751	78.8%
PBF	60.0%	569,052	60.5%

**RADIANT YACU LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Personal Accident    Triangles Used:    Incurred

Loss Year	Development Year						
	0	1	2	3	4	5	6
2019	-	-	-	-	-	-	-
2020	-	800	400	400	400	400	-
2021	13,212	24,383	30,656	28,178	28,338	-	-
2022	8,750	28,347	24,703	25,849	-	-	-
2023	10,805	18,141	18,256	-	-	-	-
2024	13,819	29,815	-	-	-	-	-
2025	14,669	-	-	-	-	-	-
<b>Selection</b>	<b>1.9475</b>	<b>1.0500</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL		-	0.0%
ICL		400	11.6%
ICL		28,338	32.3%
ICL		25,849	16.1%
ICL		18,256	10.4%
ICL		31,306	11.6%
IBF	27.0%	64,929	17.8%

Savings    Triangles Used:    Incurred

Loss Year	Development Year						
	0	1	2	3	4	5	6
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	24,399	24,399	40,772	-	-	-	-
2024	185,309	192,639	-	-	-	-	-
2025	355,468	-	-	-	-	-	-
<b>Selection</b>	<b>1.0600</b>	<b>1.1000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
Expected Loss Ratio	0.0%		0.0%
Expected Loss Ratio	0.0%		0.0%
Expected Loss Ratio	0.0%		0.0%
Expected Loss Ratio	0.0%		0.0%
Expected Loss Ratio	0.0%		0.0%
Expected Loss Ratio	0.0%		0.0%
Expected Loss Ratio	0.0%		0.0%
Expected Loss Ratio	116.5%	440,159	116.5%

**RADIANT YACU LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Students Liability Triangles Used: Paid

LossYear	Development Year						
	0	1	2	3	4	5	6
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	6,988	3,521	3,861	3,811	3,061		
2022	112	2,545	2,656	2,545			
2023	1,663	4,890	4,390				
2024	1,035	7,188					
2025	3,612						
<b>Selection</b>	<b>2.1000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL		-	
ICL		-	
ICL		3,061	6.0%
ICL		2,545	4.1%
ICL		4,390	6.6%
ICL		7,188	7.2%
IBF	11.0%	10,895	8.6%

Turikumwe Triangles Used: Incurred

LossYear	Development Year						
	0	1	2	3	4	5	6
2019	-	-	-	-	-	-	-
2020	1,126	2,530	2,530	2,530	2,530	2,530	
2021	69	49,324	53,582	48,698	50,638		
2022	68,892	157,750	193,370	202,729			
2023	30,528	192,731	269,242				
2024	47,584	189,938					
2025	95,708						
<b>Selection</b>	<b>3.6762</b>	<b>1.3000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL		-	0.0%
ICL		2,530	12.3%
ICL		50,638	6.9%
ICL		219,741	11.8%
ICL		269,242	11.2%
IBF	20.0%	376,302	9.3%
IBF	20.0%	1,180,413	17.2%

**RADIANT YACU LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

All Classes Triangles Used: Paid

LossYear	DevelopmentYear						
	0	1	2	3	4	5	6
2019	-	-	-	-	-	-	-
2020	1,126	9,726	8,670	7,223	7,223	7,223	
2021	381,131	712,703	626,938	579,131	566,536		
2022	853,269	1,021,750	1,014,118	997,003			
2023	886,734	1,421,376	1,437,375				
2024	907,684	1,710,600					
2025	1,257,421						
<b>Selection</b>	<b>1.5000</b>	<b>1.1000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
PCL		-	0%
PCL		7,223	30%
PCL		562,036	42%
PCL		1,015,147	30%
PCL		1,467,173	35%
ICL		1,881,660	30%
PBF	39.6%	4,182,916	41%

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

**Liquidity risk**

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

The following policies and procedures are in place to mitigate the Company's exposure to liquidity.

- The Company's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

**Maturity profiles**

The following table summarizes the maturity profile of portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

Maturity profile						
Frw' 000	2025					Total
Portfolio	Up to1year	1-2years	2-3years	3-4years	>5years	
Crop	1,591,361	12,044	-	-	-	1,603,405
Livestock	890,542	50,404	-	-	-	940,946
Loan						
Protection	32,622	99,864	67,560	225,344	1,017,796	1,443,186
Personal						
Accident	364,289	12	-	-	-	364,301
Savings	377,819	-	-	-	-	377,819
Students						
Liability	126,209	185	-	-	-	126,394
Turikumwe	6,858,449	220	-	-	-	6,858,669
<b>Total</b>	<b>10,241,291</b>	<b>162,729</b>	<b>67,560</b>	<b>225,344</b>	<b>1,017,796</b>	<b>11,714,720</b>

Maturity profile						
Frw' 000	2024					Total
Portfolio	Up to1year	1-2years	2-3years	3-4years	>5years	
Crop	1,410,247	195,717	-	-	-	1,605,964
Loan Protection	36,049	80,319	119,184	70,068	260,439	566,058
Personal Accident	327,837	42,263	-	-	-	370,100
Savings	174,166	-	-	-	-	174,166
Turikumwe	3,974,879	63,000	-	-	-	4,037,879
<b>Total</b>	<b>5,923,179</b>	<b>381,299</b>	<b>119,184</b>	<b>70,068</b>	<b>260,439</b>	<b>6,754,168</b>

**RADIANT YACU LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

**\_FY 2025**

Earning Profile	2	3	4	5	6	Total
Frw '000	Up to1year	1-2years	2-3years	3-4years	>5years	
Crop	330,320	-	-	-	-	330,320
Livestock	447,877	1,967	-	-	110	449,955
Personal Accident	150,325	-	91	140	-	150,556
Savings	(1)	-	-	-	-	(1)
Students Liability	62,091	-	-	-	-	62,091
Turikumwe	2,857,964	-	-	-	-	2,857,964
<b>Total</b>	<b>3,848,578</b>	<b>1,967</b>	<b>91</b>	<b>140</b>	<b>110</b>	<b>3,850,886</b>

**FY 2024**

Earning Profile	Up to1year	1-2years	2-3years	3-4years	>5years	Total
Frw '000						
Crop	440,876	2,698	-	-	-	443,574
Personal Accident	102,408	-	-	-	-	102,408
Savings	-	-	-	-	-	-
Turikumwe	868,032	76	-	-	-	868,108
<b>Total</b>	<b>1,411,316</b>	<b>2,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,414,090</b>

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk). The Company's market risk policy sets out the assessment and determination of what constitutes market risk for it. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk management and compliance committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains needed to meet the Company's contractual requirements.

The nature of the Company's exposure to market risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

**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.

Radiant Yacu's fixed interest rate on financial instruments are deposit with financial institutions . Deposit with financial institutions is accounted for at amortized cost and their carrying amounts are not sensitive to changes in the level of interest rate.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Carrying amount Frw '000'	Average interest rate %
<b>As at 31 December 2025</b>		
Fixed deposits with financial institutions	1,527,478	8.67%
Government securities at amortized cost	4,890,802	13%
	Carrying amount Frw '000'	Average interest rate %
<b>As at 31 December 2024</b>		
Fixed deposits with financial institutions	1,076,876	9%
Government securities at amortized cost	1,245,684	13%

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. The Company has a policy of ensuring that all term deposits and government securities are at fixed interest rates.

Sensitivity analysis on interest rate risk. A 5% increase/decrease in the interest rates at the reporting date would have increased/decreased profit or loss and equity by the amounts shown below. The analysis assumes that all other variables, in particular, foreign currency rates remain constant and is applied on variable interest rate bearing instruments.

**RADIANT YACU LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

	Effect on profit or loss/ equity	
	31-Dec-25	31-Dec-24
	Frw '000'	Frw '000'
Fixed deposits with financial institutions		
5% Increase	76,374	53,844
5% decrease	-76,374	-53,844
Government securities at amortized cost		
5% Increase	244,540	62,284
5% decrease	-244,540	-62,284

**Currency risk**

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

**Price risk**

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market.

The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on individual and total equity instruments. The Company has no significant concentration of price risk.

**Credit risk**

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

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position.

Radiant Yacu Ltd has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where credit risk arises are premium receivable, cash held in current and deposit accounts in banks and other receivables.

Premium receivable is paid by Rwanda Agriculture board (RAB) which normally pays 60 days after receiving the invoice from Radiant Yacu, therefore the exposure to the risk is low. Other receivables in the current year is mainly from Rwanda Revenue Authority whose credit risk exposure is low .

**Exposure to credit risk**

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

	31-Dec-25	31-Dec-24
	Frw '000'	Frw '000'
Interest earning deposits with financial institutions	1,527,478	1,076,876

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Treasury bonds	4,890,802	1,245,684
Other receivables	565,684	24,297
	6,983,964	2,346,857

No collateral is held for any of the above assets. None of the credit risk counterparties is rated. None of the above assets is past due or impaired.

**Capital management**

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders' value.

The Company is also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseeable liabilities as they arise. The Company has met all of these requirements throughout the financial year. The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders. The primary source of capital used by the Company is total equity. The Company also uses, where it is efficient to do so, sources of capital such as reinsurance, in addition to more traditional sources of funding.

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

- Composite micro insurance business companies FRW 300 million and
- Composite micro insurance businesses are required to maintain a solvency margin (admitted assets less admitted liabilities) equivalent to the higher of the share capital (300 Million) or 15% of the greater of the amount of net written premium in respect of policies entered into:
  - (a) in the 12 months preceding the current financial year end; or
  - (b) in the 12 months preceding the end of previous financial year or where the written premium refers to the total amount of all the premiums payable to the dedicated micro insurer under policies entered into by it in the respective twelve (12) months period.

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

**RADIANT YACU LIMITED**
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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

The table below summarizes the solvency margin of the Company:

		2025	2024
Required Solvency Margin	Frw "000"	500,000	300,000
Capital Adequacy Required	Frw "000"	843,161	520,817
Compliance with Solvency Margin:			
Total Assets	Frw "000"	12,451,744	7,586,747
Less: Non-admitted Assets as per II.A.7	Frw "000"	136,743	79,540
Less: Deductions for assets subject to maximum admissible % as per II.B.5	Frw "000"	2,111,869	1,757,253
Admitted Assets I.3 less I.4 and I.5	Frw "000"	10,203,132	5,749,953
Less Admitted Liabilities as per III.C.3	Frw "000"	7,788,536	4,343,926
Solvency Margin Available (I.6 less I.7)	Frw "000"	2,414,595	1,406,027
Excess of solvency required (I.8 less I.2)	Frw "000"	1,571,434	885,210
Solvency Coverage Ratio (I.8 divided by I.2)	%	286%	270%

**2. Insurance revenue**

	2025	2024
	Frw' 000	Frw' 000
Crop	1,434,122	1,506,016
Personal accident	327,501	313,352
Turikumwe	5,656,837	3,249,854
Savings	1,360,998	174,166
Total PAA	8,779,458	5,243,388
Loan protection - GMM	414,686	310,692
	<u>9,194,145</u>	<u>5,554,080</u>

**3. Insurance service expenses**

Insurance service expenses		
Actual claims and expenses excl inv comp over the period	4,798,968	2,189,265
Expected release of incurred claims over the period	- 1,076,468	- 848,860
Expected release of risk adjustment for incurred claims	- 95,161	- 90,075
New incurred claims over the period	1,714,093	953,172
Increase in PV and RA of incurred claims liability	- 200,456	- 128,555
Release of deferred acquisition cost	836,191	943,663
Expected claims and expenses for loss component	- 22,770	- 25,972
Increase in losses on onerous contracts	224,724	9,974
Loan protection OCR movement	39,017	8,406
Expected release of RA For loss component	- 2,198	- 2,457
	<u>6,215,940</u>	<u>2,991,749</u>

**RADIANT YACU LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

The insurance service expenses for the current year has been classified per portfolio as follows:

31 December 2025

	Crop	Personal Accident	Turikumwe	Savings	Livestock	Student liability	Loan Protection - GMM
Actual claims and expenses excl inv comp over the period	1,148,673	119,595	1,817,867	399,369	863,598	35,834	414,032
Expected release of incurred claims over the period	149,044	37,111	231,835	64,182	168,630	11,634	414,032
Expected release of risk adjustment for incurred claims	19,953	6,441	36,339	8,190	22,575	1,662	-
New Claims Incurred over the period	196,003	41,515	690,084	143,344	213,951	15,163	414,032
Increase in PV and RA of incurred claims liability	18,587	13,489	176,626	-	16,488	2,244	-
Expected Claims and Expenses for Loss Component	-	-	-	-	-	-	22,770
Increase in losses on onerous contracts	163	-	-	0	422	-	224,464
Loan Protection OCR Mvt	-	-	-	-	0	0	39,017
DAC Release	118,731	45,546	528,114	-	127,437	16,362	-
Expected Release of RA For Loss Component	-	-	-	-	-	-	2,198
	1,275,661	176,592	2,591,267	470,341	997,715	51,819	652,545

31 December 2024

	Crop	Personal Accident	Turikumwe	Savings	Loan protection-GMM
Actual claims and expenses excl inv comp over the period	1,225,546	52,098	623,578	154,425	133,619
Expected release of claims incurred over the period	536,492	36,394	121,873	20,482	133,619
Expected release of risk adjustment for incurred claims	67,564	4,583	15,348	2,579	-
New Claims Incurred over the period	277,944	52,536	420,208	68,866	133,619
Increase in PV and RA of incurred claims liability	18,678	235	146,998	-	-
Expected Claims and Expenses for Loss Component	173,065	42,653	727,946	-	25,972
Increase in losses on onerous contracts	163	-	-	-	9,812
Loan Protection OCR Mvt					(8,406)
Expected Release of RA For Loss Component					2,457
	1,091,340	106,074	1,487,512	200,229	106,595

**4. Allocation of reinsurance premiums**

	2025	2024
	Frw' 000	Frw' 000
PAA Premium reserve release (earned premium)	1,641,452	1,035,383
Expected claims and expenses excluding loss component	84,352	38,006
CSM release	17,864	7,952
Expected release of risk adjustment	9,625	3,325
	<u>1,753,293</u>	<u>1,084,666</u>

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

**5. Amounts recoverable from reinsurers for incurred claims**

	2025	2024
	Frw' 000	Frw' 000
Actual claims and expenses incurred	1,056,936	748,127
Expected release of claims incurred over the period	(303,647)	-432,134
Expected release of risk adjustment for incurred claims	(33,738)	-52,419
New incurred claims over the period	490,735	236,395
Increase in PV and RA of incurred claims liability	(22,967)	16,449
Expected claims and expenses for loss component	(15,701)	-5,903
Expected release of RA for loss component	(1,788)	-456
DAC release	328,862	265,953
Increase in losses on onerous contracts	32,314	19,529
	1,531,006	795,541

**6. Investment income**

Details:

	2025	2024
	Frw' 000	Frw' 000
Interest income from treasury bonds	264,189	193,255
Interest income from term deposits	115,846	82,411
	380,035	275,666

**7. Other income**

	2025	2024
	Frw' 000	Frw' 000
Policy accessories income	49,194	33,602
Miscellaneous income	17,727	6,931
	66,922	40,533

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

**8. Other operating expenses**

Expense head	Is expense attributable? (yes/no)	Basis of allocation across different classes Type of cost -100% contract service	Total expense amount	Expense amount attributable to insurance contract	Expense amount non-attributable to insurance contract	Attributable portion	Percentage allocation attributable vs non-attributable
Commissions	Yes	other	770,280,624	770,280,624	-	100%	100%<->0%
Office supplies	Yes	other	6,243,556	4,370,489	1,873,067	70%	70%<->30%
Telephone	Yes	other	3,568,898	2,498,229	1,070,669	70%	70%<->30%
Internet	Yes	other	6,898,470	4,828,929	2,069,541	70%	70%<->30%
Vehicle maintenance	Yes	other	7,894,603	5,526,222	2,368,381	70%	70%<->30%
Other maintenance			1,164,280	582,140	582,140	50%	50%<->50%
Staff transport-internal	Yes	Proportion of time dedicated to insurance contract	36,990,519	29,592,415	7,398,104	80%	80%<->20%
Staff transport-external	Yes	Proportion of time dedicated to insurance contract	15,027,524	12,022,019	3,005,505	80%	80%<->20%
Assurances vehicules	Yes	other	3,357,232	2,350,062	1,007,170	70%	70%<->30%
Other insurances	Yes	Proportion of time dedicated to insurance contract	925,415	740,332	185,083	80%	80%<->20%
Fuel	Yes	Proportion of time dedicated to insurance contract	12,836,806	10,269,445	2,567,361	80%	80%<->20%
Local consultant fees	Yes	type of cost -100% contract service	2,648,953	2,648,953	-	100%	100%<->0%
Foreigner consultant fees	Yes	type of cost -100% contract service	18,750,000	18,750,000	-	100%	100%<->0%
Adverts & Marketing in general	Yes	type of cost - percentage of contract service	24,992,356	24,992,356	-	100%	100%<->0%
Adverts & Marketing crop & Indoto	Yes	type of cost -100% contract service	6,384,798	6,384,798	-	100%	100%<->0%
Mission-general	Yes	type of cost - percentage of contract service	44,020,102	35,216,082	8,804,020	80%	80%<->20%
Mission-agri-products & credit life	Yes	type of cost -100% contract service	7,244,880	7,244,880	-	100%	100%<->0%
External services	Yes	type of cost - percentage of contract service	2,031,202,089	1,624,961,671	405,429,378	80%	80%<->20%
Charges & External services	Yes	type of cost - percentage of contract service	32,432,470	25,945,976	6,486,494	80%	80%<->20%
Losses on insurance policy			62,891	-	62,891	0%	0%<->100%
Contributions to professional bodies			2,929,500	-	2,929,500	0%	0%<->100%

**RADIANT YACU LIMITED**
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**
**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

Sitting allowances and management	Yes	type of cost - percentage of contract service	20,142,880	8,057,152	12,085,728	40%	40%<-60%
Donations			4,500,000	-	4,500,000	0%	0%<-100%
Fines & penalties			5,000,000	-	5,000,000	0%	0%<-100%
Gross salaries	Yes	type of cost - percentage of contract service	361,430,678	289,144,542	72,286,136	80%	80%<-20%
Contributions to pension scheme	Yes	type of cost - percentage of contract service	29,114,126	23,291,301	5,822,825	80%	80%<-20%
Staff Insurance cost	Yes	type of cost - percentage of contract service	39,008,171	31,206,537	7,801,634	80%	80%<-20%
Training fees	Yes	type of cost - percentage of contract service	17,368,225	13,894,580	3,473,645	80%	80%<-20%
Maternity contribution			1,091,783	764,248	327,535	70%	70%<-30%
Local government taxes			1,000,000	700,000	300,000	70%	70%<-30%
Unrecoverable vat		type of cost - percentage of contract service	441,751,880	220,875,940	220,875,940	50%	50%<-50%
Bank charges	Yes	type of cost - percentage of contract service	5,398,694	3,779,086	1,619,608	70%	70%<-30%
Mobile payment charges	Yes	type of cost - percentage of contract service	3,221,372	2,254,960	966,412	70%	70%<-30%
Interest on reinsurance deposits	Yes	type of cost - percentage of contract service	82,260	57,582	24,678	70%	70%<-30%
Commission-treasury bond	Yes		628,415	-	628,415	0%	0%<-100%
Interest payment- indoto saving	Yes	type of cost -100% contract service	9,693,805	9,693,805	-	100%	100%<-0%
Depreciation intangible assets		type of cost - percentage of contract service	8,820,000	3,528,000	5,292,000	40%	40%<-60%
Building depreciation		type of cost - percentage of contract service	100,000,000	60,000,000	40,000,000	60%	60%<-40%
Depreciation startup cost		type of cost - percentage of contract service	22,636,602	18,109,282	4,527,320	80%	80%<-20%
Depreciation of it equipment		type of cost - percentage of contract service	20,465,769	16,372,615	4,093,154	80%	80%<-20%
Depreciation of transport equipment		type of cost - percentage of contract service	14,323,975	11,459,180	2,864,795	80%	80%<-20%
Depreciation office furniture		type of cost - percentage of contract service	1,199,818	959,854	239,964	80%	80%<-20%
Depreciation Office Equipment		type of cost - percentage of contract service	29,425,992	23,540,794	5,885,198	80%	80%<-20%
Depreciation of office partition		type of cost - percentage of contract service	12,597,453	10,077,962	2,519,491	80%	80%<-20%
<b>Total</b>			<b>4,184,757,864</b>	<b>3,336,973,043</b>	<b>846,973,781</b>		

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

9. Cash and cash equivalents

	2025	2024
	Frw' 000	Frw' 000
Bank balances	927,192	405,560
Momo balances	63,367	35,623
Transfers	27,969	38,026
	<u>1,018,528</u>	<u>479,209</u>

10. Investments in term deposits

	2025	2024
	Frw'000	Frw'000
Amortized cost		
Investment in term deposits	<u>1,527,478</u>	<u>1,031,000</u>
With below movement in during the year:		
At 1 January	1,031,000	606,000
Investments made in the year	450,000	425,000
Repayments received in the year	-	-
Interest receivable	46,478	
At 31 December	<u>1,527,478</u>	<u>1,031,000</u>
Comprising:		
Current portion	<u>1,527,478</u>	<u>1,031,000</u>
	<u>1,527,478</u>	<u>1,031,000</u>

11. Investment in treasury bonds

	2025	2024
	Frw'000	Frw'000
<b>Amortised cost</b>		
Fixed rate treasury bonds	<u>4,890,802</u>	<u>1,190,000</u>
With below movement in during the year:		
At 1 January	1,190,000	2,927,000
Investments made in the year	3,534,960	700,000
Repayments received /sold in the year	-	2,437,000
Interest receivable	165,842.27	
<b>Balance as at 31 December</b>	<u>4,890,802</u>	<u>1,190,000</u>
Comprising:		
Current portion		
Non-current portion	<u>4,890,802</u>	<u>1,190,000</u>
	<u>4,890,802</u>	<u>1,190,000</u>

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

12. Investment in shares	2025	2024
	Frw' 000	Frw' 000
Investee	800,000	800,000
Cyato Tea Plantation and Factory	<u>800,000</u>	<u>800,000</u>
13. Reinsurance contract assets		
i) Receivables arising out of reinsurance - arrangements		
Africa Re	-	407,854
ZEP Re	-	100,686
GLOBUS Re	24,894	19,481
Kenya Re	3,107	9,793
CICA Re	16,997	12,034
Aveni RE	-	1,523
Continental Re	7,769	-
	<u>52,767</u>	<u>551,371</u>
ii) Receivables arising out of co- insurance arrangements		
BK General Insurance Company Ltd	2,872	118,295
SONARWA Life Insurance Company Ltd	21,651	96,204
Old Mutual Insurance Rwanda Plc	-	78,977
Prime Insurance Limited	164	1,659
	<u>24,688</u>	<u>295,135</u>
iii) Reinsurance & Coinsurance shares in insurance contracts liabilities		
	<u>1,328,774</u>	<u>784,426</u>
	<u>1,328,774</u>	<u>784,426</u>
	<u>1,406,229</u>	<u>1,630,932</u>
14. Other receivables		
Interest on deposits	-	101,560
Guarantee deposits	32,335	8,641
Other debtors	8,693	8,391
Receivable from Radiant Insurance	256,139	-
Prepayments	19,255	7,265
Quarterly prepayment	249,262	-
	<u>565,684</u>	<u>125,857</u>
15. Inventory		
Inventories	4,709	3,934
	<u>4,709</u>	<u>3,934</u>

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

16. Income tax

	2025 Frw' 000	2024 Frw' 000
<b>Statement of financial position</b>		
At 1 January	(235,699)	412,977
Current income tax charge	679,309	436,323
Income tax paid	(328,805)	(1,071,243)
Effect of IFRS 17 on taxation	-	(13,755)
Tax (receivable)/ payable	<u>(111,805)</u>	<u>(235,699)</u>
<b>Statement of profit or loss</b>		
Corporate tax charge for the year	676,309	421,111
Deferred tax charge/(credit) for the year	<u>(87,533)</u>	<u>7,606</u>
	<u>588,776</u>	<u>428,717</u>
<b>Reconciliation of tax charge for the year to the tax based on accounting profit</b>		
Profit before income tax	2,245,023	1,439,439
Tax at applicable rate of 28% (2024: 28%)	628,606	403,043
Effects of net tax adjustments	<u>628,606</u>	<u>403,043</u>
<b>Deferred tax liability</b>		
At 01 January	19,325	11,719
Deferred tax charge	<u>87,533</u>	<u>7,606</u>
As at 31 December	<u>106,858</u>	<u>19,325</u>

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

17. Property and equipment

<b>As at 31 December 2025:</b>	<b>Building</b>	<b>Office partition</b>	<b>Office equipment</b>	<b>Motor vehicle</b>	<b>IT equipment</b>	<b>Total</b>
<b>Cost:</b>	<b>Frw'000</b>		<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>
As at 1 January 2025	2,000,000	-	9,175	53,000	31,065	2,093,240
Additions	-	123,224.53	116,106	-	30,869	270,200
Disposal			-7,625			-7,625
<b>As at 31 December 2025:</b>	<b>2,000,000</b>	<b>123,225</b>	<b>117,656</b>	<b>53,000</b>	<b>61,934</b>	<b>2,355,815</b>
<b>Depreciation:</b>						
As at 1 January 2025	-	-	6,223	38,676	17,827	62,726
Charge for the year	100,000	12,322.45	28,608	14,324	20,466	175,720
Disposal			-5,268			-5,268
<b>As at 31 December 2025</b>	<b>100,000</b>	<b>12,322</b>	<b>34,830</b>	<b>53,000</b>	<b>38,293</b>	<b>233,178</b>
<b>Net book value</b>	<b>1,900,000</b>	<b>110,902</b>	<b>82,826</b>	<b>0</b>	<b>23,641</b>	<b>2,122,637</b>

Property and equipment						
<b>As at 31 December 2024:</b>	<b>Building</b>	<b>Office partition</b>	<b>Office equipment</b>	<b>Motor vehicle</b>	<b>IT equipment</b>	<b>Total</b>
<b>Cost:</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>
As at 1 January 2024	-		9,175	53,000	12,220	74,395
Additions	2,000,000	-	0	-	18,845	2,018,845
<b>As at 31 December 2024:</b>	<b>2,000,000</b>	<b>-</b>	<b>9,175</b>	<b>53,000</b>	<b>31,065</b>	<b>2,093,240</b>

<b>Depreciation:</b>						
As at 1 January 2024	-	-	5,318	33,901	7,625	46,845
Charge for the year	-	-	904	4,775	10,202	15,881
<b>As at 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>6,223</b>	<b>38,676</b>	<b>17,827</b>	<b>62,726</b>
<b>Net book value</b>	<b>2,000,000</b>	<b>-</b>	<b>2,952</b>	<b>14,324</b>	<b>13,238</b>	<b>2,030,514</b>

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

18. Intangible assets

Year ended 31 December 2025:	Establishment & development costs	Sage software	Total
Cost:	Frw' 000	Frw' 000	Frw' 000
At 1 January 2025	271,639	48,055	319,694
Additions during the year	-	-	-
<b>At 31 December 2024:</b>	<b>271,639</b>	<b>48,055</b>	<b>319,694</b>
<b>Amortisation:</b>			
At 1 January 2025	249,003	30,415	279,417
Charge for the year	22,637	8,820	31,457
<b>At 31 December 2025</b>	<b>271,639</b>	<b>39,235</b>	<b>310,874</b>
<b>Net book value</b>	<b>-</b>	<b>8,820</b>	<b>8,820</b>

Year ended 31 December 2024:	Establishment & development costs	Sage software	Total
Cost:	Frw' 000	Frw' 000	Frw' 000
At 1 January 2024	271,639	12,775	284,414
Additions during the year	-	35,280	35,280
<b>At 31 December 2024:</b>	<b>271,639</b>	<b>48,055</b>	<b>319,694</b>
<b>Amortisation:</b>			
At 1 January 2024	194,675	12,775	207,450
Charge for the year	54,328	17,640	71,968
<b>At 31 December 2024</b>	<b>249,003</b>	<b>30,415</b>	<b>279,417</b>
<b>Net book value</b>	<b>22,637</b>	<b>17,640</b>	<b>40,277</b>

19. Insurance contract liabilities

	2024	2023
	Frw' 000	Frw' 000
IBNR + OCR	1,412,966	945,407
Effect of discounting	103,872	61,147
Risk adjustment	102,208	102,188
Liability for incurred claims	1,411,302	986,448
Unearned premium reserve	3,850,886	2,358,811
Deferred acquisition cost	142,289	582,871
Additional unexpired risk reserve	422	163
Premium debtors	274,303	413,499
Best estimate liability (BEL)	865,576	216,599
Risk adjustment	83,095	20,794
CSM / Zerorization	290,885	201,912
Liability for remaining coverage	4,674,272	1,801,909
	<b>6,085,574</b>	<b>2,788,357</b>

**RADIANT YACU LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**NOTES TO THE FINANCIAL STATEMENTS- CONTINUED**

20. Reinsurance contract liabilities

i) Payable arising out of reinsurance arrangement		
Arica Re	7,689	406,750
ZEP Re	432,601	101,665
GLOBUS Re	-	34,661
CICA Re	57,149	24,991
Aveni RE	904	2,245
Kenya Re	16,473	1,991
Continental Re	66,292	-
	<b>581,108</b>	<b>572,303</b>
ii) Payables arising out of co - insurance arrangements		
BK General Insurance Company Ltd	-	112,888
Old Mutual Rwanda Plc	15,944	106,540
SONARWA Life Insurance Company Ltd	-	87,465
	<b>15,944</b>	<b>306,893</b>
	<b>597,052</b>	<b>879,196</b>

21. Other payables

	2025	2024
	Frw' 000	Frw' 000
Other creditors	249,572	176,331
Pay as you earn (PAYE)	15,430	14,793
Payable to Cyato Tea Factory	100,000	100,000
Withholding taxes	12,546	8,025
RSSB - pensions and maternity leave	8,000	4,530
	<b>385,548</b>	<b>303,675</b>

22. Capital commitments and contingencies

There were no capital commitments and contingencies (2024: Nil) towards acquisition and/or construction of capital expenditure items. No advances were paid on capital commitments (2024: Nil) during the year.

23. Going concern

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

24. Events after the reporting period

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

**RADIANT YACU LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**OTHER DISCLOSURES BY INSURERS**

**Appendix 1: Regulatory solvency margin**

		2025	2024
Required Solvency Margin			
Gross premium less reinsurance ceded last preceding year	Frw "000"	5,621,074	3,472,527
Solvency margin required: 15% of net premium	Frw "000"	843,161	520,879
Compliance with Solvency Margin:			
Total Assets	Frw "000"	12,451,744	7,586,747
Less: Non-admitted Assets as per II.A.7	Frw "000"	136,743	79,540
Less: Deductions for assets subject to maximum admissible % as per II.B.5	Frw "000"	2,111,869	1,757,253
Admitted Assets I.3 less I.4 and I.5	Frw "000"	10,203,132	5,749,953
Less Admitted Liabilities as per III.C.3	Frw "000"	7,788,536	4,343,926
Solvency Margin Available (I.6 less I.7)	Frw "000"	2,414,595	1,406,027
Excess of solvency required (I.8 less I.2)	Frw "000"	1,571,434	885,148
Solvency Coverage Ratio (I.8 divided by I.2)	%	286%	270%

**II.A. Non-admitted Assets**

1 Intangible Assets	Frw' 000	8,820	40,277
2 Exposure(Loans & Investment) to connected persons	Frw' 000	-	-
3 Loans to Insurance Intermediaries overdue for more than 6 months	Frw' 000	-	-
4 Receivables from reinsurers overdue for more than 6 months	Frw' 000	-	12,674
5 Loans and other receivables overdue for more than 6 months	Frw' 000	1,811	-
6 Deferred expenses, deferred taxes and prepayments	Frw' 000	126,112	26,590
7 Non Admitted Assets (Add II.A.1. to 6)		136,743	79,540

**RADIANT YACU LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**OTHER DISCLOSURES BY INSURERS**

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

**As at 31 December 2025**

	A	Maximum admissible percentage (B)	Deductions (A less AxB)
Investment in equities: listed	-	90%	-
Investment in equities: Unlisted	800,000	70%	240,000
Investment in debt securities	-	70%	-
Investments in properties	-	80%	-
Receivables from reinsurers which are non overdue	77,455	90%	7,745
a) All other Assets (Total assets less II.A.7 and II.B.1,2,3,4 and 5)	11,437,546		
Less			
Cash	1,230,848		
Deposit Balances	1,481,000		
Government Securities	4,724,960		
Government Receivables	272,491		
b) All other assets subject to maximum %	3,728,246	50%	1,864,123
<b>Total Deductions (add II.B.1,2,3,4,5 and 6)</b>			<b>2,111,868</b>

**As at 31 December 2024**

	A	Maximum admissible percentage (B)	Deductions (A less AxB)
Investment in equities: listed	-	90%	-
Investment in equities: Unlisted	800,000	70%	240,000
Investment in debt securities	-	70%	-
Investments in properties	-	80%	-
Receivables from reinsurers which are non overdue	920,990	90%	92,099
a) All other Assets (Total assets less II.A.7 and II.B.1,2,3,4 and 5)	5,786,216		
Less	479,209		
Cash			
Deposit Balances	1,031,000		
Government Securities	1,190,000		
Government Receivables	235,699		
b) All other assets subject to maximum %	2,850,309	50%	1,425,154
<b>Total Deductions (add II.B.1,2,3,4,5 and 6)</b>			<b>1,757,253</b>

**RADIANT YACU LIMITED**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

**OTHER DISCLOSURES BY INSURERS**

**III.C. Admitted Liabilities**

**As at 31 December 2025**

Technical Provisions	Amount on Balance sheet A	Additional Percentage factor B	Admitted Liabilities ( A +( Ax B))
Unearned Premium	4,674,272,679	10%	5,141,699,947
Unexpired Risk	-	10%	-
Outstanding claims	379,588,172	10%	417,546,989
IBNR	1,031,713,406	10%	1,134,884,747
All other liabilities (Total Liabilities less technical provisions)	1,101,052,518	0%	1,101,052,518
<b>Total Admitted Liabilities</b>			<b>7,795,184,201</b>

**As at 31 December 2024**

Technical Provisions	Amount on Balance sheet A	Additional Percentage factor B	Admitted Liabilities ( A +( Ax B))
Unearned Premium	1,754,773	10%	1,930,250
Unexpired Risk	-	10%	-
Outstanding claims	1,118,914	10%	1,230,806
IBNR	-	10%	-
All other liabilities (Total Liabilities less technical provisions)	1,182,871	0%	1,182,871
<b>Total Admitted Liabilities</b>			<b>4,343,926</b>